DEVELOPMENT STRATEGY FOR DISADVANTAGED REGIONS BASED ON LEADING SECTORS IN THE EASTERN ACEH REGION

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ARTICLE INFO	ABSTRACT
	Purpose: The purpose of this study is to analyze the development strategy of disadvantaged areas based on leading sectors in the Eastern Aceh Region. **Theoretical framework:** The priority of the development strategy for underdeveloped areas is the empowerment of the agricultural agribusiness system. **Design/Methodology/Approach:** The analysis method used is Klassen, LQ, Shift Share, and SWOT Typology analysis. Based on the results of the Klassen typology analysis using data from 2010-2017, it was obtained that the regencies/cities that are included in the category of underdeveloped areas in the Eastern Aceh Region are East Aceh Regency and Aceh Tamiang Regency. **Findings:** The results of the LQ analysis, the base sector in East Aceh Regency is the mining and quarrying sector. Based on shift share analysis, sectors that have a competitive advantage are large trade and retail, car and motorcycle repairs. Furthermore, based on the SWOT analysis, the priority of the development strategy for disadvantaged areas is to socialize and promote regional potential to outside parties (investors). Meanwhile, in Aceh Tamiang Regency, based on LQ analysis, which is the base sector, namely mining and quarrying. **Research, Practical and Social implication:** The shift share analysis, the sector that has a competitive advantage is construction. Furthermore, based on the SWOT analysis, the development strategy for underdeveloped areas is the empowerment of the agricultural agribusiness system. This strategy leads to increasing the ability and independence of agricultural and institutional human resources (HR) to be able to make optimal use of agricultural resources through the use of appropriate technology to increase productivity, income and welfare of farmers, planters and fishermen. This research to support of development strategies should be directed at policies that have an optimal impact on economic growth, increase people's income, reduce poverty and create jobs so as to reduce the unemployment rate and improve the quality of human resources. **Originality/Value**: The originality of research in the form of poverty analysis with the Klassen Typology Analysis model, Location Quotient (LQ) Analysis, SWOT Analysis and Shift Share Analysis which were not carried out by previous research. Doi: https://doi.org/10.26668/businessreview/2023.v8i4.1378

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ESTRATÉGIA DE DESENVOLVIMENTO PARA REGIÕES DESFAVORECIDAS COM BASE EM SETORES LÍDERES NA REGIÃO LESTE DE ACEH

RESUMO

Objetivo: O objetivo deste estudo é analisar a estratégia de desenvolvimento de áreas desfavorecidas com base em setores líderes na região leste de Aceh.

Referencial teórico: A prioridade da estratégia de desenvolvimento de áreas subdesenvolvidas é o fortalecimento do sistema agropecuário.

Design/Metodologia/Abordagem: O método de análise usado é Klassen, LQ, Shift Share e análise de tipologia SWOT. Com base nos resultados da análise da tipologia de Klassen usando dados de 2010-2017, obteve-se que as regências/cidades que estão incluídas na categoria de áreas subdesenvolvidas na região de Aceh Oriental são Regência de Aceh Oriental e Regência de Aceh Tamiang.

Constatações: Com base nos resultados da análise LQ, o setor de base em East Aceh Regency é o setor de mineração e pedreiras. Com base na análise do shift share, os setores que apresentam vantagem competitiva são comércio de grande porte e varejo, reparação de automóveis e motocicletas. Além disso, com base na análise SWOT, a prioridade da estratégia de desenvolvimento para áreas desfavorecidas é socializar e promover o potencial regional para partes externas (investidores). Enquanto isso, em Aceh Tamiang Regency, com base na análise LQ, que é o setor de base, ou seja, mineração e pedreiras.

Implicação da pesquisa: Na análise do turno de trabalho, o setor que tem uma vantagem competitiva é a construção. Além disso, com base na análise SWOT, a estratégia de desenvolvimento para áreas subdesenvolvidas é o fortalecimento do sistema agropecuário.

Implicação prática: Esta estratégia leva ao aumento da capacidade e independência dos recursos humanos (RH) agrícolas e institucionais para poder otimizar o uso dos recursos agrícolas por meio do uso de tecnologia apropriada para aumentar a produtividade, a renda e o bem-estar dos agricultores, plantadores e pescadores .

Implicações sociais: Esta pesquisa para apoiar estratégias de desenvolvimento deve ser direcionada para políticas que tenham um impacto ótimo no crescimento econômico, aumentem a renda das pessoas, reduzam a pobreza e criem empregos para reduzir a taxa de desemprego e melhorar a qualidade dos recursos humanos.

Originalidade/Valor: Originalidade da pesquisa na forma de análise de pobreza com o modelo Klassen Typology Analysis, Location Quotient (LQ) Analysis, SWOT Analysis e Shift Share Analysis que não foram realizadas por pesquisas anteriores

Palavras-chave: Aceh Oriental, Regiões Desfavorecidas, Setores Líderes, SWOT.

ESTRATEGIA DE DESARROLLO PARA REGIONES DESFAVORECIDAS BASADA EN SECTORES LÍDERES EN LA REGIÓN ORIENTAL DE ACEH

RESUMEN

Propósito: El propósito de este estudio es analizar la estrategia de desarrollo de las áreas desfavorecidas basada en sectores líderes en la región oriental de Aceh.

Marco teórico: La prioridad de la estrategia de desarrollo de las zonas subdesarrolladas es el empoderamiento del sistema agroindustrial agropecuario.

Diseño/Metodología/Enfoque: El método de análisis utilizado es el análisis de tipología Klassen, LQ, Shift Share y SWOT. Sobre la base de los resultados del análisis de tipología de Klassen utilizando datos de 2010-2017, se obtuvo que las regencias/ciudades que se incluyen en la categoría de áreas subdesarrolladas en la región de Aceh Oriental son East Aceh Regency y Aceh Tamiang Regency.

Hallazgos: Según los resultados del análisis LQ, el sector base en East Aceh Regency es el sector de minería y canteras. Con base en el análisis de turnos compartidos, los sectores que tienen una ventaja competitiva son el gran comercio y el comercio minorista, las reparaciones de automóviles y motocicletas. Además, con base en el análisis FODA, la prioridad de la estrategia de desarrollo para áreas desfavorecidas es socializar y promover el potencial regional a partes externas (inversores). Mientras tanto, en Aceh Tamiang Regency, basado en el análisis LQ, que es el sector base, a saber, la minería y la explotación de canteras.

Implicación de la investigación: El análisis shift share, el sector que tiene ventaja competitiva es el de la construcción. Además, con base en el análisis FODA, la estrategia de desarrollo para áreas subdesarrolladas es el empoderamiento del sistema de agronegocios agrícolas.

Implicación práctica: Esta estrategia conduce a aumentar la capacidad y la independencia de los recursos humanos (RH) agrícolas e institucionales para poder hacer un uso óptimo de los recursos agrícolas mediante el uso de tecnología apropiada para aumentar la productividad, los ingresos y el bienestar de los agricultores, plantadores y pescadores. .

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Implicación social: esta investigación para apoyar las estrategias de desarrollo debe estar dirigida a políticas que tengan un impacto óptimo en el crecimiento económico, aumenten los ingresos de las personas, reduzcan la pobreza y creen empleos para reducir la tasa de desempleo y mejorar la calidad de los recursos humanos.
Originalidad/Valor: Originalidad de la investigación en forma de análisis de la pobreza con el modelo de análisis de tipología de Klassen, análisis de cociente de ubicación (LQ), análisis DAFO y análisis de cambio compartido que no se llevaron a cabo en investigaciones anteriores

Palabras clave: Este de Aceh, Regiones Desfavorecidas, Sectores Líderes, DAFO.

INTRODUCTION

The gap between regions and provinces is on the development agenda of developing countries. Differences in terms of development and income between regions are a challenge in policy setting. Regional economic development as part of the way to achieve national development goals, this causes economic policies should not be made uniform because each region has different potentials. Development strategies should be directed at policies that have an optimal impact on economic growth, increase people's income, reduce poverty and create jobs so as to reduce the unemployment rate and improve the quality of human resources (Nurlina et al., 2017). According to Rodriguez-Pose and Wilkie (2018) two principles dominate the understanding of innovation in economic geography, the first being that more economically developed regions are more innovative compared to less developed regions. Second, that the innovation process and the factors that influence it differ from one region to another. The spatial concentration of innovative activity tends to be in large cities and developed economies, often hurting underdeveloped areas. This factor causes the emergence of underdeveloped areas, because the development process is only in certain areas.

The acceleration of development of underdeveloped areas is an implementation of the third Nawa Cita agenda, namely building Indonesia from the periphery by strengthening regions and villages within the framework of a unitary state. In the 2015-2019 RPJMN, the targets to be achieved in the development of disadvantaged areas are an increase in average economic growth, a decrease in the average percentage of poor people, an increase in the human development index and a decrease in the number of underdeveloped areas into developed districts.

Based on data from the Ministry of Villages, Development of Disadvantaged Regions and Transmigration of the Republic of Indonesia, there are 17,268 villages throughout Indonesia that are designated as underdeveloped villages and the island of Sumatra has a number of underdeveloped villages as much as 37 percent of the total (web.kominfo.go.id). In Aceh Province, there are 2,244 gampong or villages that are included in the category of

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underdeveloped and developing villages spread across 23 regencies/cities in Aceh Province (dialeksis.com).

The factor causing the large number of gampong or underdeveloped villages in Aceh Province is that there are still many residents living in remote areas with all the limitations on all access to resources and facilities they need. In fact, some of them have not been completely reached by government bureaucratic services, such as population data so they do not get health services through free health insurance from the government. Then inadequate facilities and infrastructure such as electricity, educational facilities, transportation access, and road infrastructure. The downturn was felt after the earthquake and Tsunami that hit Aceh and the prolonged conflict so that it could not be touched by government development programs, both central, provincial and district. Seeing these conditions, it is necessary to make efforts to create synergy between various elements in encouraging the acceleration of development in Aceh Province. Not only that, it is necessary to conduct an in-depth study of the potential that can be developed for community empowerment, so that breakthrough programs can be formulated to build in an integrated and participatory manner.

Some previous studies related to this research are Rohmana and Utami (2017) on the analysis of determining the leading economic sector of the Greater Bandung Region, using *a classic, location quotient* and *multiplier* analysis model, based on the results of the study, it is known that each region in the Greater Bandung area has different leading sectors, such as Bandung City and Cimahi have superior sectors, namely the information sector and communication, Bandung Regency is the processing industry sector, and West Bandung Regency is the food and drink accommodation provider sector. There is one sector that has the same advantages in four regions in the Greater Bandung Region, namely the education service sector. The implication is that each region can develop a leading sector to promote the region in order to increase the prosperity of its people. Khusaini's research (2015) with the title shift share analysis on regional competitiveness, the case of Banyuwangi Regency, East Java, Indonesia. The results show that the trade, hotel and restaurant, construction, services, and finance sectors are the sectors that have the largest contribution with a total of more than 25 percent. Barzotto's (2019) research on improving innovation capabilities in disadvantaged areas, the results show that disadvantaged areas usually have less ability in entrepreneurship and innovation as well as weak networks that hinder the exchange of knowledge and the emergence of new market opportunities. The strategy offered is Smart Specialization (S3) which is a component of the European Union's 2020 innovation policy (RIS3). The objectives

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to be achieved in this study are (1) Analyzing regencies/cities that are categorized as underdeveloped areas in the Eastern Aceh Region, (2) Analyzing sectors that have potential as base sectors and have competitive advantages or competitiveness, (3) Analyzing development strategies for disadvantaged areas based on superior sectors.

LITERATURE REVIEW

Disadvantaged Areas

According to the Ministry of Disadvantaged Regions of the Republic of Indonesia (2016), underdeveloped areas are areas that are relatively less developed than other regions on a national scale, and have relatively lagging populations. In the concept of the National Development Planning Agency (2015), underdeveloped areas are generally characterized by their relatively remote geographical location, or areas that are poor in natural resources, or prone to natural disasters. A disadvantaged area is an area within an area that physically, socially, and economically reflects a delay in growth compared to other regions.

Development Strategy for Disadvantaged Regions

In addition to program support from ministries/agencies, disadvantaged areas also include border, rural, and transmigration areas. These three things also have their own handling in their construction. Moreover, the district area is designated as a disadvantaged area, covering several underdeveloped villages. The current rolling village fund policy can be a stimulus to improve the status of these underdeveloped villages which is expected to solve the lagging problem in a district. Various aspects of regional development in underdeveloped areas are certainly an opportunity to accelerate the alleviation of lagging (Nurlina et al., 2019). Districts designated as disadvantaged areas not only receive *treatment* as disadvantaged areas, but also as border areas, transmigration, and/or rural areas.

The concept of a national strategy plan for the development of underdeveloped areas in the future is expected to be a reference and guideline for development strategies based on five basic strategies, namely:

1. Basic *Needs Development*)
2. *People Centered Developent*)
3. Growth and equity (*Redistribution With Growth*)
4. Participatory (*Participation Approach*)
5. *Sustainability (Sustainable Development*)

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Featured Sectors

According to Widodo (2006), the leading sector is a sector that is able to encourage growth or development for other sectors, both sectors that supply inputs and sectors that utilize their output as inputs in the production process. According to Wahyuningsih, et al (2014), regional criteria are more emphasized on superior commodities that can be the driving force for the development of an area, including:

1. Superior commodities must be able to be the main driver of economic development. This means that superior commodities can make a significant contribution to increasing production, income and expenditure.

2. Superior commodities have a strong forward and backward linkage, both among leading commodities and other commodities.

3. Superior commodities are able to compete with similar products from other regions in the national market and international markets, both in product prices, production costs, service quality and other aspects.

4. Regional superior commodities have a relationship with other regions, both in terms of market (consumers) and the supply of raw materials (if the raw materials in the region itself are insufficient or not available at all).

5. Superior commodities have an ever-increasing technological status, especially through technological innovation.

6. Superior commodities are able to optimally absorb quality labor according to the scale of production.

7. Superior commodities can survive for a certain period of time, ranging from the phases of birth, growth, peak to decline. Once one superior commodity enters the stage of decline, then the other superior commodity must be able to replace it.

8. Superior commodities are not prone to external and internal turmoil.

9. The development of superior commodities should receive various forms of security, social, cultural, information and market opportunities, institutions, incentive/dicentive facilities and others.

10. Development of superior commodities oriented towards the sustainability of resources and the environment.

The reason is that the base industry produces goods and services for markets in the region and outside the region, so sales out of the region will generate income for the area. Revenue streams from outside the area lead to increased consumption and investment in

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the area, and in turn will increase income and the creation of new job opportunities. The increase in revenue not only increases the demand for the base industry, but also increases the demand for non-base (local) industries. This increase in income will encourage investment in local industries as a result of the increase in base industries (Arsyad in Wahyuningsih, 2014)

MATERIAL AND METHODOLOGY

The location in this study is underdeveloped regencies/cities located in the Eastern Aceh Region. The types and sources of data in this study are primary data obtained directly from the original sources in the form of observations, interviews, and questionnaires. Primary data is obtained from questionnaires given to the Regional Secretary of the Economic Section, BAPPEDA, and the Marine Agriculture and Fisheries Service. The data analysis method in this study used:

Klassen Typology Analysis

Klassen Typology Analysis is an analytical tool used to find out how to describe the patterns and structure of economic growth of each region (Sjafrizal:2008). Klassen's typology basically divides the territory according to two indicators, namely: the growth rate and the level of per capita income.

Table 1. Klassen Typology Matrix

Growth Rate Income Per capita	Growth Rate Above Average	Growth Rate Below Average
Per capita Income Above Average	**Fast Forward Area**	**Developed But Depressed Areas**
Per capita Income Below Average	**Developing Regions**	**Disadvantaged Areas**

Source: Sjafrizal (2009)

Location Quotient (LQ) Analysis

In measuring LQ using a value-added approach or GRDP (Tarigan, 2009) is as follows:

$$LQn = (vi/vt) / (yi/yt)........................ (1)$$

Where:
Vi : The value of sector i GRDP at a low regional level
Vt : GRDP value at lower regional level
Yi : The value of sector i GRDP at the higher regional level
Yt : Total GRDP at the higher level of GRDP

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Criterion:

1. LQ>1, is the base sector. This means that the sector is able to meet production from the regions and out of the regions.

2. LQ<1, is a non-base sector. This means that the sector has not been able to meet the needs in its own area, so it imports to other regions.

3. LQ=1, meaning that the sector is able to cover the fulfillment of the living needs of its region but cannot export.

Shift Share Analysis

Shift-share analysis is used to analyze regional economic performance with the following formulation (Arsyad, 2010):

$$G_{ij} = N_{ij} + P_{ij} + D_{ij} .... (2)$$

Where:
G_{ij} = Shift Share
N_{ij} = National Growth
P_{ij} = Industrial Mix Share
D_{ij} = Differential/ Local Share

1. National Growth Effect, is an indicator that shows how provincial economic growth affects the regional economy. The calculation is as follows:

$$N_{in,t} = E_{ir,t-1} X (\quad - 1) .... (3)$$

Where:
$N_{in,t}$ = National Growth Effect
$E_{ir,t-1}$ = Regional Level Sector GRDP in the Initial Year
$E_{n,t}$ = Provincial GRDP Final Year
$E_{n,t-1}$ = Early Year Provincial GRDP

2. Effect of Industry Mix Share, is an indicator that shows the relative change in the performance of a sector in a particular region to the same sector in the province. The calculation is as follows:

$$PS_{ir,t} = E_{ir,t-1} X (\quad - \quad) .... (4)$$

Where:
$PS_{ir,t}$ = Industrial Mix
$E_{ir,t-1}$ = Regional Sector GRDP Early Years

$E_{in,t}$ = GRDP To i Province End of Observation
$E_{in,t-1}$ = GRDP To i Province Early Years
$E_{n,t}$ = Provincial GRDP Final Year
$E_{n,t-1}$ = Early Year Provincial GRDP

3. Differential Shift, is an indicator that provides explanation / information in determining how far the competitiveness of regional (local) industries is with the economy at the upper level / province. So that the calculation is carried out with the following formulation:

$$DS_{ir,t} = E_{ir,t-1}X (\quad - \quad)...................... (5)$$

Where:
$DS_{ir,t}$ = Local Share
$E_{ir,t-1}$ = Early Regional Sector GRDP
$E_{in,t}$ = GRDP To i Province Final Year
$E_{in,t-1}$ = GRDP To i Province Early Years
$E_{ir,t}$ = GRDP To i Regional Final Year
$E_{ir,t-1}$ = GRDP To i Regional Final Year

SWOT Analysis

Determination of SWOT analysis is carried out after understanding the strengths, weaknesses, opportunities and threats that exist. Therefore, it must first be identified with these factors using a matrix of internal factors and external factors. These two matrices show which factors are more influential and which factors have less influence on the region. Based on the rating on each factor and the existing weight, various influencing factors can be determined in decision making.

Table 2. SWOT Matrix

Internal External	STRENGTH (S) List of Internal Forces	WEAKNESS (W) List of Internal Weaknesses
OPPORTUNITIES (O) List of Opportunities External	STRATEGIC S-O Use Strength to Seize Opportunities	W-O STRATEGY Overcoming Weaknesses by Seizing Opportunities
THREATS (T) List of Threats External	STRATEGIC S-T Use force to avoid threats	W-T STRATEGY Minimize weaknesses and avoid threats

Source: Sjafrizal (2009)

RESULTS AND DISCUSSION

Analysis of the Klassen Typology

Based on the results of the Klassen Typology analysis using indicators of economic growth and Per capita Income for regencies/cities in Aceh Province during 2010-2017, the

results were obtained, the regencies that are included in the relatively backward/underdeveloped areas in the Eastern Aceh Region are East Aceh Regency and Aceh Tamiang Regency.

East Aceh Regency is classified as a relatively backward/underdeveloped area because the growth of the oil and gas sector in recent years has not contributed positively in terms of growth, even though the oil and gas sector is one of the sectors that has a significant influence on the GRDP of East Aceh Regency. In 2014 until 2016 it decreased to 7.15 trillion rupiah, the decline in the value of GRDP in 2016 was partly due to the continued decline in oil and gas production (Bappeda of East Aceh Regency, 2018).

Aceh Tamiang Regency is classified as a relatively backward/underdeveloped area because from 2014 to 2016 the performance of the mining and quarrying sector, the category of the sector with the second largest role in Aceh Tamiang Regency, decreased drastically with minus growth (-3.62 percent, -9.49 percent and -9.65 percent) (Bappeda Aceh Tamiang Regency, 2018).

In general, the per capita GRDP in underdeveloped areas in Aceh Province is analyzed by sectors, so there is still a striking inequality between the agricultural sector and other sectors, assuming that around 55 percent of the population depends on the agricultural sector.

Table 3. Klassen Typology Matrix

Growth Rate (Y) Income Per capita (R)	Growth Rate Above Average (Yi>Y)	Growth Rate Below Average (Yi<Y)
Per capita Income Above Average (Ri>R)	**(Quadrant I)** **Developed Regions** 1) Central Aceh 2) West Aceh 3) Really Festive 4) Banda Aceh 5) Sabang	**(Quadrant II)** **Developed But Depressed Areas** 1) Nagan Raya 2) Lhokseumawe
IncomePercapita Below Average (Ri<R)	**(Quadrant III)** **Developing Regions** 1) Simeulue 2) South Aceh 3) Southeast Aceh 4) Aceh Besar 5) Gayo Lues 6) Pidie Jaya 7) Langsa 8) Subulussalam	**(Quadrant IV)** **Relatively Underdeveloped Areas** 1) Aceh Singkil 2) East Aceh 3) Pidie 4) Bireuen 5) North Aceh 6) Southwest Aceh 7) Aceh Tamiang 8) Aceh Jaya

Source: Prepared by the authors (2021).

Regional Potential Analysis

Location Quotient (LQ)

The results of the LQ analysis show that there were 8 base sectors in East Aceh Regency in 2010-2017, namely: agriculture, forestry and fisheries sector, mining and quarrying sector, electricity and gas procurement sector, water procurement sector, waste management, waste and recycling, financial and insurance services sector, real estate sector, health service sector and social activities and other service sectors. The agricultural sector is still the sector that has a major role in the economy of East Aceh Regency. This sector consists of several subsectors, namely food crops (rice, and corn), horticulture (bananas, and ginger), plantations (deep coconut, oil palm, cocoa and rubber), animal husbandry (beef cattle, goats, and broilers), fisheries (deles kite, blue kite, lisong, skipjack, bloated, cob, green selar). In addition to the agricultural sector, the sector that has had the largest role in the economy of East Aceh Regency for 8 years is the mining sector, namely oil and gas (BPS East Aceh Regency, 2018).

Table 4. Location Quotient (LQ) Calculation Results of East Aceh Regency in 2010-2017

Sector	Year								Average	Note
	2010	2011	2012	2013	2014	2015	2016	2017		
Agriculture, Forestry, and Fisheries	1,684	1,690	1,681	1,665	1,657	1,632	1,609	1,573	**1,649**	**Base**
Mining and Quarrying	2,214	2,200	2,205	2,078	2,052	1,473	0,989	0,960	**1,771**	**Base**
Processing Industry	0,264	0,270	0,276	0,306	0,354	0,516	0,572	0,639	**0,400**	**Non Base**
Electricity and Gas Utilization	1,087	1,068	1,053	1,056	1,029	1,008	0,956	0,970	**1,028**	**Base**
Water Procurement, Waste Management, Waste and Recycling	1,144	1,126	1,115	1,084	1,048	1,008	0,981	0,995	**1,063**	**Base**
Construction	0,681	0,703	0,696	0,710	0,716	0,715	0,686	0,767	**0,709**	**Non Base**
Large Trade and Retail; Reperation of Cars and Motorcycles	0,601	0,587	0,593	0,590	0,608	0,609	0,621	0,629	**0,605**	**Non Base**
Transportation and Warehousing	0,622	0,639	0,669	0,690	0,718	0,731	0,763	0,745	**0,697**	**Non Base**
Provision of Accommodation and Food and Drink	0,830	0,801	0,780	0,798	0,813	0,807	0,804	0,765	**0,800**	**Non Base**
Information and Communication	0,761	0,762	0,747	0,739	0,751	0,766	0,776	0,784	**0,761**	**Non Base**
Financial Services and Insurance	1,117	1,155	1,146	0,998	0,940	0,955	0,935	0,940	**1,023**	**Base**
Real Estate	1,039	1,019	1,010	1,021	1,012	0,997	0,990	0,984	**1,009**	**Base**
Company Services	0,445	0,444	0,444	0,450	0,447	0,453	0,444	0,441	**0,446**	**Non Base**
Government Administration,	0,919	0,887	0,918	0,924	0,911	0,898	0,886	0,874	**0,902**	**Non Base**

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Defense and Social Security									
Education Services	0,746	0,760	0,774	0,774	0,767	0,751	0,735	0,708	**0,752**	**Non Base**
Health Services and Social Activities	1,115	1,113	1,040	1,007	1,006	1,003	1,005	0,970	**1,032**	**Base**
Other Services	1,088	1,092	1,127	1,081	1,063	1,046	1,028	0,998	**1,066**	**Base**

Source: BPS Aceh Province 2010-2017 (Processed)

Based on the results of LQ analysis, there were 6 base sectors in Aceh Tamiang Regency in 2010-2017, namely: agriculture, forestry and fisheries sector, mining and quarrying sector, water procurement sector, waste management, waste and recycling, information and communication sector, real estate sector and other service sectors. The agriculture, forestry and fisheries sector is a base sector with superior commodities for each agricultural subsector in Aceh Tamiang Regency, namely food crops (rice, and corn), horticulture (bananas, and long beans), plantations (oil palm), livestock (cattle, and native chickens), fisheries (catfish, bloated, big eyes, and shrimp). In addition to excelling in the agricultural sector, Aceh Tamiang Regency also excels in the mining and quarrying sector, namely types of non-metallic excavated materials (sirtu, limestone, quartz sand and clay) (BPS Aceh Tamiang Regency, 2018).

Table 5. Location Quotient (LQ) Calculation Results of Aceh Tamiang Regency Year 2010-2017

Business Field	Year								Average	Ket
	2010	2011	2012	2013	2014	2015	2016	2017		
Agriculture, Forestry, and Fisheries	1,426	1,456	1,457	1,448	1,448	1,473	1,503	1,511	**1,465**	**Base**
Mining and Quarrying	1,485	1,481	1,585	1,722	1,836	2,288	2,360	2,140	**1,862**	**Base**
Processing Industry	0,559	0,580	0,578	0,613	0,729	0,953	1,084	1,222	**0,790**	**Non Base**
Electricity and Gas Utilization	0,813	0,838	0,831	0,820	0,795	0,793	0,776	0,766	**0,804**	**Non Base**
Water Procurement, Waste Management, Waste and Recycling	1,185	1,224	1,191	1,191	1,201	1,206	1,188	1,174	**1,195**	**Base**
Construction	0,638	0,651	0,653	0,645	0,638	0,649	0,618	0,668	**0,645**	**Non Base**
Large Trade and Retail; Reperation of Cars and Motorcycles	0,751	0,740	0,718	0,705	0,708	0,706	0,705	0,713	**0,718**	**Non Base**
Transportation and Warehousing	0,522	0,531	0,525	0,516	0,524	0,533	0,547	0,540	**0,529**	**Non Base**
Provision of Accommodation and Food and Drink	0,910	1,013	0,973	0,951	0,946	0,950	0,940	0,910	**0,949**	**Non Base**
Information and Communication	0,944	1,032	1,014	1,030	1,059	1,090	1,114	1,125	**1,051**	**Base**
Financial Services and Insurance	0,493	0,538	0,535	0,569	0,646	0,683	0,670	0,675	**0,601**	**Non Base**

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Real Estate	1,038	1,049	1,078	1,088	1,068	1,090	1,074	1,054	**1,067**	**Base**
Company Services	0,632	0,621	0,622	0,616	0,588	0,588	0,584	0,581	**0,604**	**Non Base**
Government Administration, Defense and Social Security	0,458	0,461	0,479	0,485	0,479	0,475	0,466	0,454	**0,470**	**Non Base**
Education Services	0,772	0,795	0,805	0,803	0,794	0,786	0,767	0,749	**0,784**	**Non Base**
Health Services and Social Activities	1,035	1,073	1,016	0,986	0,980	0,975	0,973	0,941	**0,997**	**Non Base**
Other Services	1,204	1,286	1,274	1,276	1,262	1,254	1,251	1,248	**1,257**	**Base**

Source: BPS Aceh Province (2019).

Shift Share (SS) Analysis

The following is the result of a *shift share* analysis of underdeveloped areas in the Northern Aceh Region. Based on the results of *the Shift Share* analysis, it can be seen that the construction sector and the large trade and retail sectors; The reperation of cars and motorcycles is a competitive sector in East Aceh Regency.

Table 6. Results of *Shift Share* Analysis of East Aceh Regency in 2010-2017

Business Field	Nij	Mij	Cij	Interpretation
Agriculture, Forestry, and Fisheries	909.504,508	-34.095,347	-232.978,222	• Lacks competitiveness • Undeveloped
Mining and Quarrying	728.466,032	-1.679.807,785	-661.092,195	• Lacks competitiveness • Undeveloped
Processing Industry	50.136,430	-986.365,864	135.985,296	• Lacks competitiveness • Undeveloped
Electricity and Gas Utilization	2.571,578	2.231,223	-1.326,191	• Lacks competitiveness • Undeveloped
Water Procurement, Waste Management, Waste and Recycling	609,906	339,821	-354,954	• Lacks competitiveness • Undeveloped
Construction	118.048,220	26.157,970	61.092,131	• Have competitiveness • Flower
Large Trade and Retail; Reperation of Cars and Motorcycles	169.236,675	12.007,364	32.274,548	• Have competitiveness • Flower
Transportation and Warehousing	97.064,993	-22.901,616	70.279,064	• Lacks competitiveness • Undeveloped
Provision of Accommodation and Food and Drink	15.954,511	16.342,014	-6.098,451	• Lacks competitiveness • Undeveloped
Information and Communication	52.704,209	-4.096,699	6.048,380	• Lacks competitiveness • Undeveloped
Financial Services and Insurance	34.574,026	6.315,036	-22.452,512	• Lacks competitiveness • Undeveloped
Real Estate	69.080,827	40.277,633	-16.524,475	• Lacks competitiveness • Undeveloped
Company Services	5.064,227	1.227,802	-176,323	• Lacks competitiveness • Undeveloped

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Sector				Interpretation
Government Administration, Defense and Social Security	139.376,730	64.844,066	-29.783,094	• Lacks competitiveness • Undeveloped
Education Services	31.349,206	15.256,011	-7.003,150	• Lacks competitiveness • Undeveloped
Health Services and Social Activities	50.870,519	43.315,451	-31.579,821	• Lacks competitiveness • Undeveloped
Other Services	25.890,967	10.453,162	-9.332,747	• Lacks competitiveness • Undeveloped
Gross Regional Domestic Product	**2.500.503,563**	**-2.488.499,757**	**-713.022,716**	

Source: BPS Aceh Province (2019).

Meanwhile, in Aceh Tamiang Regency, based on the results of the *Shift Share* analysis, it can be seen that the construction sector, the financial and insurance services sector and other service sectors are sectors that have competitiveness.

Table 7. Results of *Shift Share* Analysis of Aceh Tamiang Regency in 2010-2017

Sector	Nij	Mij	Cij	Interpretation
Agriculture, Forestry, and Fisheries	547.536,973	-20.525,971	62.778,439	• Lacks competitiveness • Undeveloped
Mining and Quarrying	347.472,021	-801.253,841	222.705,413	• Lacks competitiveness • Undeveloped
Processing Industry	75.449,870	-1.484.373,255	162.074,482	• Lacks competitiveness • Undeveloped
Electricity and Gas Utilization	1.367,081	1.186,144	-553,519	• Lacks competitiveness • Undeveloped
Water Procurement, Waste Management, Waste and Recycling	449,029	250,185	-74,616	• Lacks competitiveness • Undeveloped
Construction	78.643,585	17.426,409	5.604,453	• Have competitiveness • Flower
Large Trade and Retail; Reperation of Cars and Motorcycles	150.490,688	10.677,333	-48.670,810	• Lacks competitiveness • Undeveloped
Transportation and Warehousing	57.853,550	-13.650,027	1.242,858	• Lacks competitiveness • Undeveloped
Provision of Accommodation and Food and Drink	12.442,179	12.744,375	-1.727,830	• Lacks competitiveness • Undeveloped
Information and Communication	46.445,160	-3.610,183	28.235,770	• Lacks competitiveness • Undeveloped
Financial Services and Insurance	10.860,916	1.983,775	14.621,562	• Have competitiveness • Flower
Real Estate	49.069,064	28.609,758	-2.896,182	• Lacks competitiveness • Undeveloped
Company Services	5.116,746	1.240,535	-2.250,696	• Lacks competitiveness • Undeveloped
Government Administration, Defense and Social Security	49.441,182	23.002,170	-8.256,132	• Lacks competitiveness • Undeveloped

Education Services	23.070,204	11.227,056	-5.747,082	• Lacks competitiveness • Undeveloped
Health Services and Social Activities	33.584,420	28.596,608	-18.648,390	• Lacks competitiveness • Undeveloped
Other Services	20.362,167	8.220,976	635,098	• Have competitiveness • Flower
Gross Regional Domestic Product	**1.509.654,833**	**-2.178.247,951**	**409.072,818**	

Source: BPS Aceh Province in 2019.

The results of this study are in accordance with research conducted by Nurlina, ddk (2019) on the analysis of leading sectors in Eastern Aceh using secondary data in 2010-2016. For East Aceh and Aceh Tamiang Regencies, based on the *Location Quotient* analysis, the leading sectors are the agriculture, forestry and fisheries sectors as well as the mining and quarrying sector, and based on the *Shift Share* analysis, the sectors that provide an increase in Aceh's GRDP are the agriculture, forestry and fisheries sectors.

SWOT Analysis

a) Development Strategy for Disadvantaged Areas in East Aceh Regency

In the preparation of a development strategy for disadvantaged areas based on leading sectors in East Aceh Regency, factors of strength, weakness, opportunities and threats are first identified.

Table 8. Matrix of Internal and External Factors of East Aceh Regency

Internal Factors	External Factors
1. Power • The development of strategic areas for the benefit of economic growth • Availability of human resources and natural resources • East Aceh Regency development policy direction to efforts to increase equitable development • East Aceh Regency government's efforts to increase economic growth through increased production in primary sectors • Existing tourism potential as the basic capital for the development of the tourism sector • Rapid bureaucratic system in efforts to create investment in East Aceh Regency	3. Opportunities • The existence of regional autonomy • The support of the central/provincial government in development efforts • The existence of a central or provincial government policy in the form of transfers to the regions • Availability of village funds as a commitment to overcome disadvantaged areas • The existence of private investment opportunities in the East Aceh Regency in an effort to support development • Cooperation with regions around East Aceh Regency in an effort to increase economic growth
4. Weaknesses • Utilization of the potential of the regional economic base that has not been optimally • Low quality of Human Resources • Regional sources of income have not been explored and managed optimally	4. Threats • Violation of environmental rules • Social, political and security conditions at the national level • Increasingly fierce competition between regions about leading sectors

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• Inadequate facilities and infrastructure • Low income levels and high development inequality between regions • The distribution of centers of economic activity and centers of public service has not been evenly distributed	• Economic globalization, free trade and the openness of the world economy demand competitiveness. • Technological developments

Source: RPJM Aceh Timur Regency, processed (2021).

To determine the rating of these factors, a questionnaire was used which was distributed to respondents from BAPPEDA of East Aceh Regency, Setdakab of East Aceh, and the Agriculture Office of East Aceh Regency.

Table 9. List of Responses

Position	Work Unit
• Head of Subdivision of Cooperation and Investment • Head of Subdivision of Planning, Evaluation and Reporting • Head of Bappeda of East Aceh Regency • Head of Economic Development & Employment Planning • Head of Sub-Division of Infrastructure Development, Science and Technology & Transportation • Kabid P3KASDM • Secretary of Bappeda of East Aceh Regency	• Bappeda • Department of Food Crops & Horticulture • Bappeda • Bappeda • Bappeda • Bappeda • Bappeda

Source: Prepared by the authors (2021).

The following table is the result of the identification of internal factors of East Aceh Regency in the form of *strengths (stranghts)* and *weaknesses (weakness)* that affect the development of underdeveloped areas in East Aceh Regency. Determination of weight using a questionnaire that has been filled out by seven respondents who are considered experts and have the capacity as decision makers in the development of underdeveloped areas in East Aceh Regency. The determination of the rating or rating is also carried out by seven respondents so that a weighted value is obtained from these factors.

Table 10. Internal Strategic Factors of East Aceh Regency

Internal Strategic Factors	Weight	Rating	Score
STRENGTH The development of strategic areas for the benefit of economic growth	0,093	4	0,372
Availability of human resources and natural resources	0,097	4	0,388
East Aceh Regency development policy direction to efforts to increase equitable development	0,079	3	0,237
East Aceh Regency government's efforts to increase economic growth through increased production in primary sectors	0,086	3	0,258
Existing tourism potential as the basic capital for the development of the tourism sector	0,069	3	0,207

Rapid bureaucratic system in efforts to create investment in East Aceh Regency	0,086	3	0,258
NUMBER OF STRENGTH SCORES			**1,720**
DEBILITATION			
Utilization of the potential of the regional economic base that has not been optimally	0,090	3	0,270
Low quality of Human Resources	0,076	3	0,228
Regional sources of income have not been explored and managed optimally	0,079	3	0,237
Inadequate facilities and infrastructure in rural areas	0,093	4	0,372
Low income levels and high development inequality between regions	0,072	3	0,216
The distribution of centers of economic activity and centers of public service has not been evenly distributed	0,079	3	0,237
NUMBER OF WEAKNESS SCORES			**1,560**
OVERALL NUMBER	1		**3,280**

Source: Prepared by the authors (2021).

Based on Table 10. It can be seen that the final result for the strength element obtained an accumulative score of 1.720 and for the weakness element obtained a score weight of 1.560. This shows that respondents gave a fairly high response to the strength factor and gave a smaller response to the weakness factor. The total value weighted for internal factors is 3,280, indicating that the position of East Aceh Regency is fully capable of overcoming weaknesses and using strengths for the development of underdeveloped areas.

The following table is the result of the identification of external factors of North Aceh Regency in the form of *opportunities* and *threats* that affect the development of underdeveloped areas in East Aceh Regency.

Table 11. External Strategic Factors of East Aceh Regency

External Strategic Factors	Weight	Rating	Score
CHANCE			
The existence of regional autonomy laws and regulations	0,094	3	0,282
The support of the central/provincial government in development efforts	0,102	4	0,408
The existence of a central or provincial government policy in the form of transfers to the regions	0,087	3	0,261
Availability of village funds as a commitment to overcome disadvantaged areas	0,094	3	0,282
The existence of private investment opportunities in the East Aceh Regency in an effort to support development	0,094	3	0,282
Cooperation with regions around East Aceh Regency in an effort to increase economic growth	0,087	3	0,261
NUMBER OF OPPORTUNITY SCORES			**1,776**
THREAT			
Violation of environmental rules	0,087	3	0,261
Social, political and security conditions at the national level	0,087	3	0,261
Increasingly fierce competition between regions about leading sectors	0,091	3	0,273

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Economic globalization, free trade and the openness of the world economy demand competitiveness.	0,083	3	0,249
Technological developments	0,094	3	0,282
NUMBER OF THREAT SCORES			**1,326**
OVERALL NUMBER	**1**		**2,984**

Source: Prepared by the authors (2021).

Based on Table 11. It can be seen that the results of the identification of external factors, for the opportunity element obtained an accumulative score of 1.76 and for the threat element obtained a score weight of 1.326. This shows that respondents responded significantly to opportunity factors and smaller to threat factors. The total value weighted for external factors is 2,984, meaning that in the development of underdeveloped areas, East Aceh Regency shows that it is trying to take advantage of opportunities to avoid threats.

SWOT Matrix Analysis

Based on the aspects of strengths, weaknesses, challenges and threats found in East Aceh Regency, several alternative development strategies for underdeveloped areas in East Aceh Regency were prepared by transferring the results of the analysis of internal fator and external factors in the SWOT matrix. From the merger process in the SWOT matrix, several alternative development strategies were obtained, namely the S-O strategy, the W-O strategy, the S-T strategy, and the W-T strategy. This matrix can be seen in Table 12. the following.

Table 12. SWOT Matrix Analysis of Internal Environment and External Environment East County

Internal	**Strength**	**Debilitation**
	• The development of strategic areas for the benefit of economic growth • Availability of human resources and natural resources • East Aceh Regency development policy direction to efforts to increase equitable development • East Aceh Regency government's efforts to increase economic growth through increased production in primary sectors • There is tourism potential that can support economic growth. • Rapid bureaucratic system in efforts to create investment in East Aceh Regency	• Utilization of the potential of the regional economic base that has not been optimally • Low quality of Human Resources • Regional sources of income have not been explored and managed optimally • Inadequate facilities and infrastructure • Low income levels and high development inequality between regions • The distribution of centers of economic activity and centers of public service has not been evenly distributed.
Esternal		
Chance	**SO Strategy**	**WO Strategy**

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• The existence of regional autonomy • The existence of cooperation carried out by the government in the development of leading sectors • The support of the central/provincial government in development efforts • Availability of village funds as a commitment to overcome disadvantaged areas • The existence of private investment opportunities in the East Aceh Regency in an effort to support development • Cooperation with regions around East Aceh Regency in an effort to increase economic growth	• Socialize and promote regional potential to outsiders (investors) • Tourism Development • Improved licensing process services	• Community Empowerment based on Local Potential • Infrastructure improvements • Zoning the territory • Develop new growth centers in areas that have not been served by growth centers.
Threat • Violation of environmental rules • Social, political and security conditions at the national level • Increasingly fierce competition between regions about leading sectors • Economic globalization, free trade and the openness of the world economy demand competitiveness. • Technological developments	**ST Strategy** • Strengthening instruments to prevent pollution and/or environmental destruction • Improved management of resilient defense and security systems • Product diversification and differentiation	**WT Strategy** • Vocational training to improve the quality of human resources • Provision of transportation facilities and infrastructure to support trade activities.

Source: Prepared by the authors (2021).

Strategy Priorities

Based on the largest number of weights, the priority of the development strategy for underdeveloped areas in East Aceh Regency is to socialize and promote regional potential to outside parties (investors). This strategy is carried out with the aim of increasing investment in potential sectors and non-potential sectors, in order to support potential sectors. Socialization and promotional activities can be carried out by utilizing information technology to make it easier for investors to access the information they want.

The results of this study are in line with the research conducted by Knov. Dkk (2017) on the priority of the strategy of regional investment activities in Russia. The priority of the strategy for the development of the Russian economy is determined by the development of its

territory taking into account the potential of the region, advantages and disadvantages. The regional investment strategy is considered one of the main factors for ensuring the effective development of the territory in accordance with the chosen basic strategy. It contains about all the main goals and directions for the development of investments in the region. In turn, regional investment strategies to ensure socioeconomic growth should be aligned and subject to basic policies of regional development. The process of forming an investment strategy goes through a number of stages, and it must be taken into account that each region is developing its social and economic development strategy, the formation of which depends on many factors, both external and internal. Assessing the strategic priorities of investment activities in the Republic of Tatarstan, we can say that according to its potential, while the main development directions are presented in the investment memorandum of the Republic of Tatarstan, the investment strategy of the Republic of Tatarstan and the development strategy of the Republic of Tatarstan until 2030. Three scenarios were developed for the development of the region: inertial, basic and optimistic scenarios. Each scenario contains indicators of the achievement of certain goals, the implementation of which is planned in a timely manner. Full disclosure of the development potential, achievement of the planned global competitiveness of the region.

b) Development Strategy for Disadvantaged Areas in Aceh Tamiang Regency

In the preparation of a development strategy for disadvantaged areas based on leading sectors in Aceh Tamiang Regency, strengths, weaknesses, opportunities and threats were first identified.

Table 13. Matrix of Internal Factors and External Factors of Aceh Tamiang Regency

Internal Factors	External Factors
1. Power • Availability of human resources and natural resources • Geographical location in Aceh Tamiang Regency in an effort to support development in Aceh Tamiang Regency • The direction of Aceh Tamiang Regency's development policy to efforts to increase equitable development • Increasing the independence and welfare of farmers, planters and fishermen • The existing tourism potential as the basic capital for the development of the tourism sector in the context of economic growth of Aceh Tamiang Regency • Rapid bureaucratic system in efforts to create investment in Aceh Tamiang Regency	3. Opportunities • The existence of regional autonomy • Cooperation carried out by the government in the development of leading sectors • The support of the central/provincial government in development efforts • Availability of village funds as a commitment to overcome disadvantaged areas • The existence of private investment opportunities in the East Aceh Regency in an effort to support development • Cooperation with regions around Aceh Tamiang Regency in an effort to increase economic growth

2. Weaknesses	4. Threats
• Limited quality of Human Resources • Regional sources of income have not been explored and managed optimally • Inadequate facilities and infrastructure • Equitable distribution of regional development results in order to level welfare • The involvement of the private sector in development is still low • The leading sector is the preferred sector in the development of Aceh Tamiang Regency	• Violation of environmental rules • Social, political and security conditions at the national level • Increasingly fierce competition between regions about leading sectors • Economic globalization, free trade and the openness of the world economy demand competitiveness. • Technological developments

Source: RPJM Aceh Tamiang, processed (2021).

To determine the rating of these factors, a questionnaire was used which was distributed to respondents from the Aceh Tamiang Regency BAPPEDA, Setdakab Aceh Tamiang, and the Aceh Tamiang Regency Agriculture Office.

Table 14. List of Responses

Position	Work Unit
• Head of Subdivision of Programs and Reporting	• Department of Agriculture, Plantation & Animal Husbandry
• Head of Subdivision of Program Preparation	• Setdakab
• Head of R&D	• Bappeda
• Kabid PPM	• Bappeda
• Head of Sub-Division of Business Development	• Bappeda

Source: Prepared by the authors (2021).

The following table is the result of the identification of internal factors of Aceh Tamiang Regency in the form of *strengths (stranghts)* and *weaknesses (weakness)* that affect the development of underdeveloped areas in Aceh Tamiang Regency. Determination of weight using a questionnaire that has been filled out by five respondents who are considered experts and have the capacity as decision makers in the development of disadvantaged areas in Aceh Tamiang Regency. The determination of the rating or rating is also carried out by five respondents so that a weighted value of these factors is obtained.

Table 15. Internal Strategic Factors of Aceh Tamiang Regency

Internal Strategic Factors	Weight	Rating	Score
STRENGTH Availability of human resources and natural resources	0,082	4	0,328
Geographical location in Aceh Tamiang Regency in an effort to support development in Aceh Tamiang Regency	0,097	3	0,291
The direction of Aceh Tamiang Regency's development policy to efforts to increase equitable development	0,075	3	0,225
Increasing the independence and welfare of farmers, planters and fishermen	0,067	4	0,268

The existing tourism potential as the basic capital for the development of the tourism sector in the context of economic growth of Aceh Tamiang Regency	0,090	3	0,270
Rapid bureaucratic system in efforts to create investment in Aceh Tamiang Regency	0,060	4	0,240
NUMBER OF STRENGTH SCORES			**1,622**
DEBILITATION Limited quality of Human Resources	0,075	3	0,225
Regional sources of income have not been explored and managed optimally	0,104	4	0,416
Inadequate facilities and infrastructure in rural areas	0,097	4	0,388
Equitable distribution of regional development results in order to level the welfare of the community	0,075	4	0,300
The involvement of the private sector in development is still low	0,082	4	0,328
The leading sector is the preferred sector in the development of Aceh Tamiang Regency	0,097	3	0,291
NUMBER OF WEAKNESS SCORES			**1,948**
OVERALL NUMBER	1		**3,570**

Source: Prepared by the authors (2021).

Based on Table 15. It can be seen that the final result for the strength element obtained an accumulative score of 1.622 and for the weakness element obtained a score weight of 1.948. This shows that respondents gave a smaller response to the strength factor and gave a fairly high response to the weakness factor. The total value weighted for internal factors is 3,570 indicating that the position of Aceh Tamiang Regency has not been fully able to overcome weaknesses and use strengths for the development of underdeveloped areas.

The following table is the result of the identification of external factors of Aceh Tamiang Regency in the form of *opportunities* and *threats* that affect the development of underdeveloped areas in Aceh Tamiang Regency.

Table 16. External Strategic Factors of Aceh Tamiang Regency

External Strategic Factors	Weight	Rating	Score
CHANCE The existence of regional autonomy	0,083	3	0,249
Cooperation carried out by the provincial/central government in the development of leading sectors	0,083	4	0,332
The support of the central/provincial government in development efforts	0,098	3	0,294
Availability of village funds as a commitment to overcome disadvantaged areas	0,098	3	0,294
The existence of private investment opportunities in Aceh Tamiang Regency in an effort to support development	0,091	4	0,364
Cooperation with regions around Aceh Tamiang Regency in an effort to increase economic growth	0,083	4	0,332
NUMBER OF OPPORTUNITY SCORES			**1,865**
THREAT Violation of environmental rules	0,083	3	0,249
Social, political and security conditions at the national level	0,098	3	0,294

Increasingly fierce competition between regions about leading sectors	0,098	3	0,294
Economic globalization, free trade and the openness of the world economy demand competitiveness.	0,076	3	0,228
Technological developments	0,106	3	0,318
NUMBER OF THREAT SCORES			**1,383**
OVERALL NUMBER	1		**3,248**

Source: Prepared by the authors (2021).

Based on Table 16. It can be seen that the results of the identification of external factors, for the opportunity element obtained an accumulative score of 1.865 for the threat element obtained a score weight of 1.383. This shows that respondents responded significantly to the opportunity factor and smaller to the threat factor. The total value weighted for external actors is 3,248, meaning that in the development of underdeveloped areas, Aceh Tamiang Regency shows that it is trying to take advantage of opportunities to avoid threats.

SWOT Matrix Analysis

Based on the aspects of strengths, weaknesses, challenges and threats found in Aceh Tamiang Regency, several alternative regional development strategies in Aceh Tamiang Regency were prepared by transferring the results of the analysis of internal fator and external factors in the SWOT matrix. From the merger process in the SWOT matrix, several alternative development strategies were obtained, namely the S-O strategy, the W-O strategy, the S-T strategy, and the W-T strategy. This matrix can be seen in Table 17. the following.

Table 17. SWOT Matrix Analysis of Internal Environment and External Environment Aceh Tamiang Regency

	Strength	Debilitation
	• Availability of human resources and natural resources • Geographical location in Aceh Tamiang Regency in an effort to support development in Aceh Tamiang Regency • The direction of Aceh Tamiang Regency's development policy to efforts to increase equitable development • Increasing the independence and welfare of farmers, planters and fishermen by providing basic infrastructure, stabilizing crop prices, strengthening market access • The existing tourism potential as the basic capital for the development of the tourism	• Limited quality of Human Resources • Regional sources of income have not been explored and managed optimally • Inadequate facilities and infrastructure • Equitable distribution of regional development results in order to level the welfare of the community • The involvement of the private sector in development is still low • The leading sector is the preferred sector in the development of Aceh Tamiang Regency

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Internal **Esternal**	sector in the context of economic growth of Aceh Tamiang Regency • Rapid bureaucratic system in efforts to create investment in Aceh Tamiang Regency	
Chance • The existence of regional autonomy • Cooperation carried out by the government in the development of leading sectors • The support of the central/provincial government in development efforts • Availability of village funds as a commitment to overcome disadvantaged areas • The existence of private investment opportunities in the East Aceh Regency in an effort to support development • Cooperation with regions around Aceh Tamiang Regency in an effort to increase economic growth	**SO Strategy** • Development of the area into a trade and service area • Empowerment of agricultural agribusiness systems • Creation of a masterplant for tourism development connected to the province, sustainable • Improved licensing process services	**WO Strategy** • Development of strategic areas • Socialize and promote regional potential to outsiders (investors) • Infrastructure Improvements
Threat • Violation of environmental rules • Social, political conditions at the national level in an effort to support development and economic growth in Aceh Tamiang Regency • Increasingly fierce competition between regions about leading sectors • Economic globalization, free trade and the openness of the world economy demand competitiveness. • Technological developments	**ST Strategy** • Strengthening instruments to prevent pollution and/or environmental destruction • Product diversification and differentiation	**WT Strategy** • Vocational training as an effort to improve the quality of human resources • Creating a robust defense and security system management that can increase regional economic resilience

Source: Prepared by the authors (2021).

Strategy Priorities

Based on the largest number of weights, the priority of the development strategy for underdeveloped areas in Aceh Tamiang Regency is the empowerment of the agricultural

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agribusiness system. This strategy leads to increasing the ability and independence of agricultural and institutional human resources (HR) to be able to make optimal use of agricultural resources through the use of appropriate technology to increase productivity, income and welfare of farmers, planters and fishermen. This agribusiness system is able to integrate four agricultural business subsystems ranging from upstream to downstream.

1. *Up-stream agribusiness* subsystem which is an economic activity that provides production facilities for farmers, such as businesses in the field of procurement and trade, agricultural and fishery facilities, and agricultural and fishery cultivation facilities.

2. On-farm subsystem of agribusiness which is an economic activity that uses means of production to produce primary agricultural products. The businesses that fall into this subsystem are agricultural businesses of superior products and cultivation of superior products,

3. Downstream agribusiness subsystem (down-stream agribusiness) in the form of economic activities that process agricultural products into processed products, including marketing activities,

4. Related economic activities known as supporting subsystems, all economic activities that provide services for agricultural agribusiness, such as financial institutions, research and development institutions, transportation institutions, educational institutions.

The results of this study are in line with research conducted by Otache (2017) that to transform the Nigerian economy from recession then the agricultural sector is the answer. This study recommends the development of agripreniurship. On the part of the government, apart from the need to transform the agricultural sector by allocating sufficient funds for it, the government should build a complete agripreneurship development center and organize agripreneurship development programs on a regular basis for the main purpose of current training and development and potential agripreneurs who will be able to apply current agricultural techniques and practices that involve a lot of creativity and innovation for successful agribusiness. The federal government should integrate agripreneurship education into the Nigerian education system. Similarly, Nigerians, particularly young people or graduates should be encouraged to choose agribusiness as a career.

The results of this study are also in line with the research conducted by Khan. Et al (2013) that agriculture contributes greatly to the economy. However, there are some problems in the development process, such as water shortages and drought conditions, long-duration load

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shedding problems, poor extension services, absence of land reform, absence of distribution of certified varieties, high fertilizer prices, use of insecticides that are misused, not recommended and expired, non-use of tillageable waste, conventional agricultural practices, indirect access of farmers to major markets, the absence of ecologically based cropping patterns, the smuggling of agricultural inputs and outputs, the lack of cooperation between agricultural research, education & extension services, the absence of crop insurance, forest depletion, the lack of modern postharvest technology and the outbreak of poultry diseases are some of the main issues that play a negative role in the decline of the agricultural sector in Pakistan. And to increase the productivity of the agricultural sector formulated possible solutions in the Pakistani perspective namely (1) dam construction, (2) nuclear power plants, (3) privatization of extensions in Pakistan (privatization of extension services), (4) implementation of justice-based land reforms, (5) commercialization of certified seeds at subsidy rates, (6) availability of natural gas for the fertilizer sector, (7) reform of pest warning and quarantine, (8) Water supply plan for Balochistan. Water desalinization plants (powered by electricity harvested from a network of solar panels) across the province can reduce the problem of water unavailability, (9) research-based agricultural promotion, (10) prevent intermediary interference, (11) control the smuggling of agricultural products, (12) integrate departments with research from several different institutions and universities, (13) planting insurance policies for small land ownership to reduce crowding, (14) introduction of modern post-harvest technologies to reduce post-harvest losses, (15) reforestation, (16) promoting a controlled environment.

CONCLUSION

Regencies/Cities categorized as underdeveloped areas in the Eastern Aceh Region are East Aceh Regency, and Aceh Tamiang Regency. Sectors that have potential as base sectors based on LQ analysis are (a). in East Aceh Regency there are 8 base sectors in East Aceh Regency, namely (1) agriculture, forestry and fisheries sector, (2) mining and quarrying sector, (3) electricity and gas procurement sector, (4) water procurement sector, waste management, waste and recycling, (5) financial and insurance services sector, (6) real estate sector, (7) health service sector and social activities (8) other service sectors. (b). In Aceh Tamiang Regency, there are 6 base sectors in Aceh Tamiang Regency, namely (1) agriculture, forestry and fisheries sector, (2) mining and quarrying sector, (3) water procurement sector, waste management, waste and recycling, (4) information and communication sector, (5) real estate sector (6) other service sectors. Meanwhile, sectors that have comparative advantages or

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competitiveness based on Shift Share analysis are (a) In East Aceh Regency, the sectors that have competitiveness are (1) the construction sector (2) large trade and retail, car and motorcycle repairs. (b). In Aceh Tamiang Regency, the sectors that have competitiveness are (1) construction sector (2) financial services and insurance (3) other services.(3). Based on the results of the SWOT analysis, the leading sector development strategies for regional development are: (a) The priority strategy in the development of underdeveloped areas in East Aceh Regency is to socialize and promote regional potential to outside parties (investors). (b). The priority of the strategy in the development of underdeveloped areas in Aceh Tamiang Regency is the empowerment of the agricultural agribusiness system. The limitation of this research is to carry out a SWOT Matrix analysis, Klassen Typology, Location Quotient (LQ) and Shift Share (SS) Analysis which is only carried out in East Aceh District and not carried out in other areas in Aceh Province. For further research, it is hoped that the analysis will be expanded with other analyzes such as input and output analysis by expanding the research sample.

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