

# Socio-Cultural Public Response on Morotai Island as Special Economic Zone (KEK) in Indonesia

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**Abstract:** *This study aims to determine the public on the island of Morotai in the development of Special Economic Zones (KEK). The method used is quantitative research. Survey data collection techniques used. Determination of informants using simple random sampling technique. process analysis with an assessment of the content using the Public Perception of Social Culture, which analyzes data related to the social and cultural impact of Special Economic Zones (KEK) in Morotai Regency. The public perception is based on educational background, occupation, age, religion, ethnicity and education, as well as knowledge of the existence of KEK. The survey showed that most people (56.02% or 228 respondents) had heard about the special economic zone, especially through meetings with government (49.12% or 112 respondents). Most people (97.79% or 398 respondents) agreed on the manufacture and distribution of fishery products by reason of employment (73.62%). Community (91.65% or 373 respondents) in principle accepts or willing to work with immigrant employees who have the expertise. Community (51.11% or 208 respondents) expects the construction of vocational school / academy fisheries other than that they were expecting a child employee Morotai 26.29% or 107 respondents and 71 respondents or 17.44% expecting business opportunities could open up. Most communities 73, 46% or 299 respondents would trust the government to implement special economic zone because the government is more prepared to overcome the problem of 37.12% or 111 respondents who believe in the private sector, while as much as 16.46% or 67 respondents for private capital and work professionally 61, 19% or 41 respondents.*

**Keywords:** response of public, social and cultural, special economic zones, industrial, fishery

## 1. Introduction

Master Plan for the Acceleration and Expansion of Indonesian Economic Growth (MP3EI) document issued by the Coordinating Ministry of Economic Affairs in 2011 explained that Indonesia as a country that initially had traditional economic base has now become the country with the proportion of manufacturing industry and services is greater. Evidently, the human development index in the period 1980 and 2010 increased from 0.39 to 0.60. Indonesia also played a greater role in the global economy. Indonesia now ranks the 17th largest economy in the world. Indonesia is also actively involved in global and regional economic forums such as ASEAN, APEC, and the G20.

In addition, the challenges and dynamics of global and regional level in the future development of Indonesia require a readiness to change. global economic regions such as East Asia and Southeast Asia is a strategic area of Indonesia to take advantage of economic opportunities to the fullest. To that end, the readiness of Indonesia is important in order to improve the local economy by accelerating the process towards prosperity by equity. Recognizing the strategic position of Indonesia in the global and regional economic zones, the President of the Republic of Indonesia DR. Susilo Bambang Yudhoyono (2004-2014) saw the need to provide a preparation MP3EI economic outlook for Indonesia until 2025.

Vision for the Acceleration and Expansion of Indonesian Economic Growth is the realization of Indonesian society Independent, progressive, just and prosperous. This vision is consistent with the vision of national development as stipulated in Law No. 17 Year 2007 on the National Long-

Term Development Plan 2005-2025. Through MP3EI, Indonesia's per capita income in 2025 is targeted to be in the range between USD14.250-USD 15,500 with a total value of between USD 4.0 to 4.5 trillion GDP. To realize the intended target, need real economic growth from 6.4 to 7.5 per cent in the 2011-2014 period and about 8.0 to 9.0 per cent in the period 2015-2025. This growth will be followed by a decline in inflation from 6.5 percent, to realize the intended target, need real economic growth from 6.4 to 7.5 per cent in the 2011-2014 period and about 8.0 to 9.0 per cent in the period 2015- in 2025, this growth will be followed by a decline in inflation from 6.5 percent in 2011-2014 to 3.0 percent in 2025.

To realize the vision of 3 missions in 2025 is the main focus, namely; 1) increasing the value added and the expansion of the value chain of the production process as well as the distribution of assets and access management (potential) natural resources, geographical area, and human resources, through the creation of economic activities that are integrated and synergistic within and inter-regional economic growth centers; 2) promote the establishment of an increase in the efficiency of production and marketing and the integration of the domestic market in order to strengthen the competitiveness and resilience of the national economy; 3) encouraging the strengthening of the national innovation system in the production, processing, and marketing to strengthen the global competitiveness of sustainable towards innovation driven economy.

The geographical position of Indonesia is right in the heart of the world economy. Indonesia passed by the Sea Lane of Communication (SLOC), the Strait of Malacca is ranked first in global container shipping line. Data from the United

Nations Environmental Program (UNEP, 2009), finds that there are 64 territorial waters of Large Marine Ecosystem (LME) worldwide are compiled based on the level of fertility, productivity, and the effect of climate change on each LME. Of the 64 LME, Indonesia has direct access to the six LME region that have the potential of marine and fishery large enough LME 34-Bay of Bengal, LME-36 South China Sea, Sulu-Celebes LME 37, LME seas Indonesia 38, LME 39- Arafura Gulf of Carpentaria, Australia Sea LME 45 North.

Eastern Region Asia (including Southeast Asia) has a population of about 50 percent of the world population. 1.3 billion people in China, 1.2 billion people in India and 600 million people in ASEAN where Indonesia is one country. With a vast territory, large population and rich natural resources owned, Indonesia became one of the countries in Southeast Asia that has a highly respected economic power.

In addition, the agreement between ASEAN countries with China in the form of Asean, China Free Trade Area (ACFTA) requires Indonesia to improve the competitiveness of its economy in order to obtain the tangible benefits of the agreement that has been taken. Understanding the global economic conditions and potential opportunities, geography advantages and resources are also the principles of sustainable development, it is in the context of MP3EI, Indonesia needs to position itself as a base of world food security, the central processing of agricultural products, plantation, fishery and mineral resources as well as the mobility center of global logistics.

The basic principles of acceleration and expansion of economic development towards the developed countries require a change in the outlook and behavior of all components as follows; 1) change must happen to all components of the nation' 2) change the mindset (mindset) starting from a government bureaucracy; 3) change requires a spirit of hard work and a desire to establish cooperation in a healthy competition; 4) productivity, innovation, and creativity is driven by science and technology has become one of the pillars of change; 5) increasing entrepreneurship become a major factor driving change; 6) the business world plays an important role in economic development; 7) Campaign for development taking into account the principles of sustainable development; 8) Campaign for a change of mindset to improve well-being is widely performed by all components of the nation.

Acceleration and expansion of Indonesia's economic development organized by the development of centers of economic growth, both existing and new. This approach is essentially the integration of sectoral and regional approaches. Each region developed a product that became superiority. Interest development centers of economic growth are to maximize the benefits of agglomeration, to explore the potential and advantages of the area and improve the spatial inequality of economic development of Indonesia.

Development centers of economic growth by developing industry clusters and Special Economic Zones (KEK). The development of growth centers is accompanied by improving

connectivity between centers of economic growth and the economic growth centers with the location of economic activity and supporting infrastructure. Overall, economic growth centers and the connectivity are creating economic corridors Indonesia. Increasing the economic potential of the region through the economic corridor has become one of the three main strategies (Main Pillars).

In the Acceleration and Expansion of Economic Development, the Government may give special treatment to support the construction of the center of economic growth, especially outside Java, especially to businesses that are willing to finance the construction and infrastructure supporting advice. These measures include taxation and customs policies, labor legislation and appropriate licensing agreement with the business world. To avoid the enclave, central and local government to encourage and pursue the linkage (linkage) as closely as possible with the economic development around the centers of economic growth. The centers of growth in the new economy may be on a large scale KEK are expected to be developed in each corridor adjusted to the economic potential of the region concerned.

Acceleration and Expansion of Indonesian Economic Development through Indonesia Economic Corridor development gives new emphasis to the economic development of the region as follows; 1) economic Corridor Indonesia directed at development that emphasizes increased productivity and value-added natural resource management through the expansion and creation chain from upstream to downstream activities in a sustainable manner; 2) economic Corridor Indonesia geared towards building a diverse and inclusive economy, and linked to other areas outside the economic corridors, so that all regions in Indonesia can be developed in accordance with the potential and advantages of each region; 3) economic Corridor Indonesia emphasizes the development of sectoral and regional synergies to increase the competitive advantage comparative and nationally, regionally, and globally; 4) economic Corridor Indonesia emphasizes the integrated development of connectivity between transportation systems, logistics, and communication and information for the open access area.

Indonesia Economic Corridor will be supported by fiscal incentives and non-fiscal, ease of regulation, licensing and public services from central and local government. Located on the lips of the Pacific Ocean, Pulau Morotai become a strategic region in the development of Special Economic Zones. With an area of 2.314.9 km<sup>2</sup> and a population of 52 697 inhabitants and spread over five districts and 64 villages, Morotai Island included in the Master Plan for the Acceleration and Expansion of Indonesian Economic Development (MP3EI) 2011–2025 who are at the economic corridor of Papua and the Maluku Islands. This corridor includes the province of Papua, West Papua province, Maluku and North Maluku province. Economic Corridor Papua-Maluku Islands are central to the development of food, fisheries, energy, and national mining. Specifically for fisheries, the Maluku islands have been designated as the national fish barn for fisheries potential is enormous, while North Maluku, West Papua and Papua potential of the fishery is not as big as Maluku focused on the activities of

processing and distribution of fishery products. (MP3EI, the Coordinating Ministry for the Economy, 2011).

Central Statistics Agency data North Maluku province, said the potential of fishery resources Morotai in 2009 reached 11,800 tons per year and may still increase if managed properly. Characteristics of coastal and marine Morotai is technically very feasible and allows for the development of marine aquaculture activities such as seaweed, fish, and lobster. The BPS data is in sync with the plan of the Government of Indonesia to develop Special Economic Zones Pulau Morotai designed in the Mega concept Minapolitan Morotai or regional development of fisheries and marine Morotai as contained in MP3EI.

As a Special Economic Zone, North Maluku Provincial Government and the Government of Morotai Island Regency in particular should be able to create a conducive investment climate for investors to develop the sector. Some of the conveniences such as the fiscal, taxation, customs, licensing, and employment as well as the readiness of the community in supporting Morotai Island Special Economic Zones should be formulated and implemented so that in time can have a positive impact in the region and society. In this context, social and cultural studies in the Development of Special Economic Zones in Morotai urgent to do.

This study aimed to obtain a comprehensive picture of the social and cultural conditions, especially the public perception of a government plan to develop Special Economic Zones of Morotai Island Regency

## 2. Methodology

This study uses a survey approach. That survey is research that takes a sample of the population and using questionnaires as the main data collection tool (Singarimbun and Effendi, 1989: 1). That survey is a type of quantitative research.

The population in this study were residents of Morotai Island as many as 52 697 people (Morotai in figures, BPS 2011 and Statistical Area North Halmahera and Morotai Island 2011). As for the sample of nearly 400 people. The survey has a margin of error of 5% at 95% confidence level. According to Yamane, when the size of the population above 50,000 to 100,000 can be used a sample size of 398 with a 95% confidence level. (Yamane, 1967: 398-399) in Elementary Sampling Theory, Englewood cliffs, Prentice Hall.

Samples were selected using the multistage random sampling technique. With multistage random sampling approach, researchers will first determine the sampling area, the district and so on until at RT. In the context of Pulau Morotai District No 5 Each Sub-District of South Morotai (Capital Daruba), District of Morotai East (Capital Sangowo), District of Morotai South West (Capital Wayabula), District of North Morotai (Capital Bere-Bere), and District Morotai Jaya (Capital Sopi).

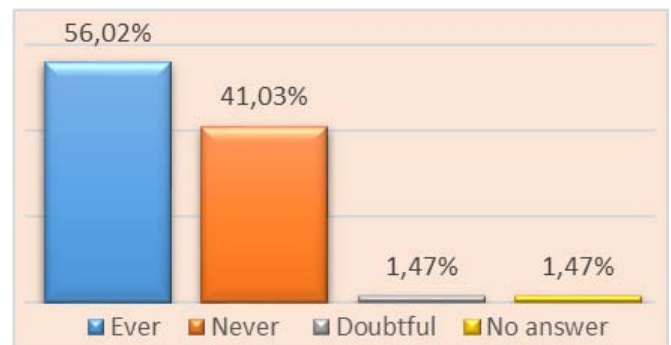
Data will be analyzed using descriptive analysis techniques

on samples and linked with the rest of the items in question survey.

## 3. Result and Discussion

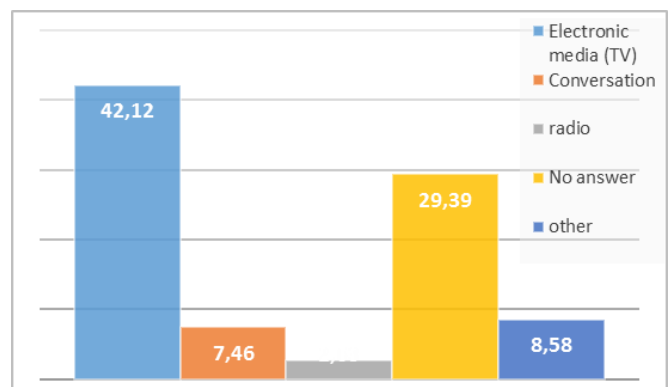
The survey shows that the majority of people of Morotai District (56.02%) already knows about the special economic zone (SEZ) District Morotai. This should be a concern of stakeholders to disseminate information intensively (Fig. 1).

Dissemination of information about the special economic zone (KEK), which is more effective through meetings with government (49.12%), followed by the electronic media (TV) 29.39% (Fig. 2). Therefore, the government should conduct socialization through seminars and workshops, and the results must continue to be published through the media.



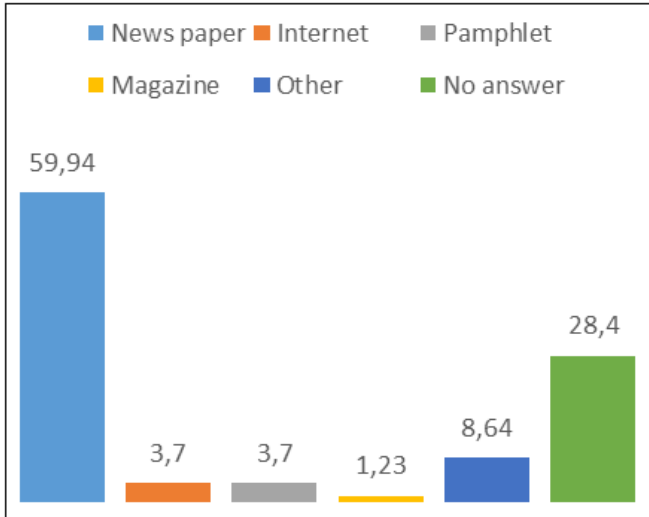
**Figure 1:** Percentage of respondent hearing of Morotai as KEK zone

Respondents who had read about the Special Economic Zones (KEK) is 54.94% through newspapers (Malut Post and radar Halmahera), and 8.64% through other media (other), 3.70% through the internet, 3.70% through pamphlets, 1.23% mellow magazines and 28.40% did not answer (Fig. 3). This suggests that the newspaper is a publication of the most effective media in the Regency of Morotai.



**Figure 2:** Media in Hearing of Morotai as KEK Zone

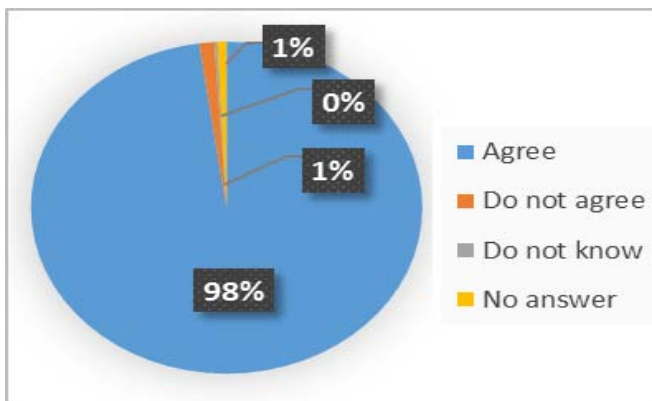
While, 97.79% people agree if built factories processing and distribution of fishery products, 1% disagree, 0.25% of respondents answered do not know and 0.74% does not answer. Reasons agreed opening of the processing plant and the distribution of fishery products: 73.62% people answered work opportunities, 15.33% answered more developed regions, 7.54% answered promising business opportunities and 3.52% more (Fig. 4 and Fig. 5).



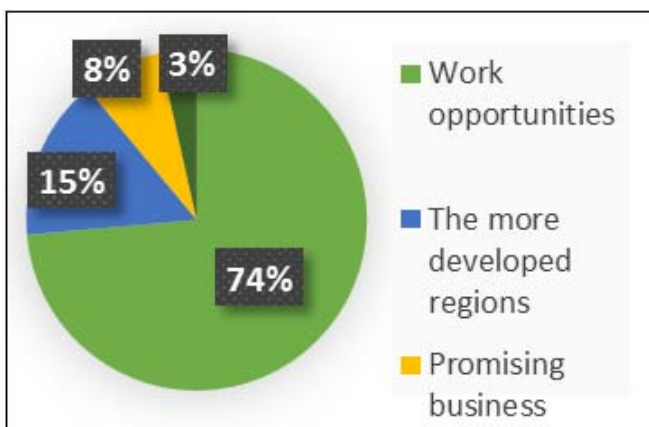
**Figure 3:** Media for Reading KEK Zone

The survey results on employment to be received is 91.65% answered immigrants willing to work with employees, 4.91% answered no beard, 1.72% undecided, 0.49% did not answer (Fig. 6).

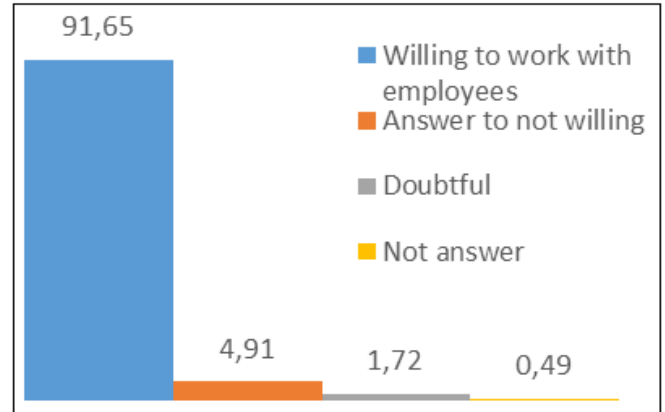
Respondents who answered refused the employment of new entrants A is 80.00% answered the fear of losing an opportunity, 10.00% answered unable to compete and 10.00% did not answer (Fig. 7).



**Figure 4:** Establishment of processing plants



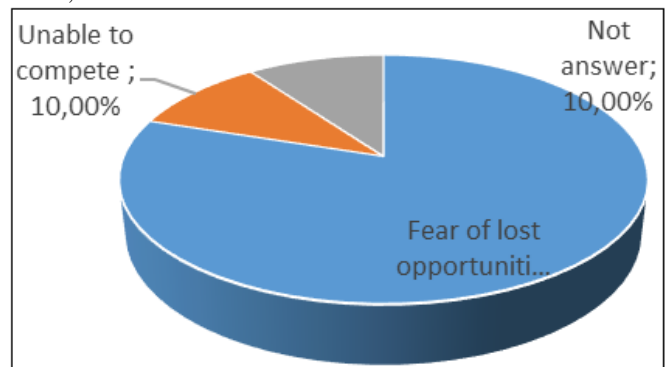
**Figure 5:** Reasons agree establishment of processing plants



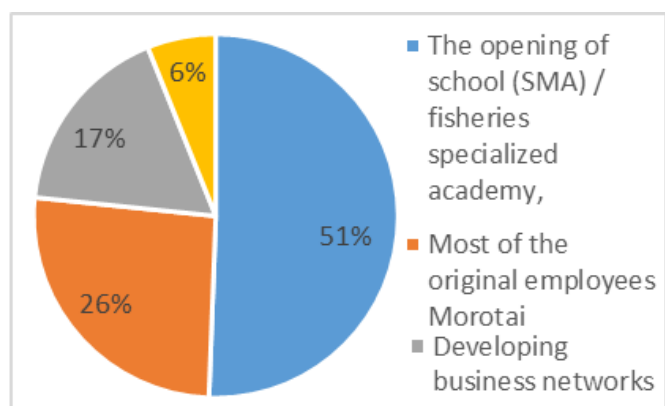
**Figure 6:** Employees entrants

Expectations of respondents if the Regency Morotai in the wake of the processing plant and the distribution of fishery products, as many as 51.11% open school (SMU)/special academy of fishery, 26.29% answered most employees from Morotai, 17.44% said developing business networks, 6.16% more (Fig. 8)

Party trusted by respondents were as many as 73.46% answered facility/area, 16.46% responded that private parties/companies, 6.88% Government and the private sector and 3, 19% more.



**Figure 7:** Reasons not willing

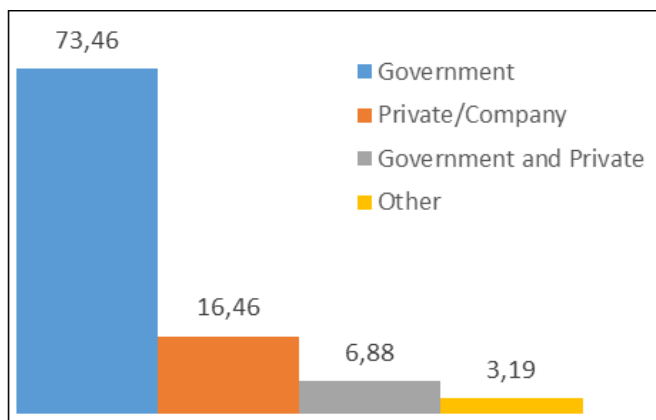


**Figure 8:** Respondents expectations

Why to believe the such parties; 1) the government, the reason many as 37.12% answered more prepared to tackle the problem, 20.07% has the authority, 15.05% did not answer, 10.70% can hear aspirations of the people, 9.70% is because the government's duty to prosper the people and 7.36% because the budget is clear; 2) Private, 61.19% answered that the private sector has the capital and



professionals, 14.93% answered to working with the community, 8.96% of the respondents answered in government surveillance, 8.96% answered revenue (PAD) for the district and 5.97% did not answer locally produced; 3) private and government, 82.14% answered can support each other and the results are good and 17.86% more (Fig. 9).



**Figure 9: Party trust**

#### 4. Conclusion

Most people (56.02%) had heard about the special economic zone (KEK), especially through meetings with government (49.12%). Some people (97.79%) agreed on the construction of the plant and the distribution of fishery products by reason of employment (73.62%). Community (91.65%) in principle accepts or willing to cooperate with the invaders for their employees have the skills.

Community (51.11%) expects the construction of vocational school/academy fisheries other than that they expect the original employees Morotai (26.29%) and 17.44% expecting business opportunities could open. Most 73.46 % trust the government to implement special economic zone because the government is more prepared to overcome the problem, 37.12% who believe in the private sector, while as much as 16.46% for private capital has been working professionally, 6.88% Government and the private sector.

#### 5. Recommendations

The government will soon open a school/academy specialized secondary fishery to support the preparation of the local workforce. Governments need to maintain public confidence, especially in addressing common problems.

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