CHAPTER I

INTRODUCTION

1.1.   Background

Indonesia is blessed with ocean broader than the mainland. Two-thirds of Indonesia are the sea that consists of the coastal marine area, high seas, bays and straits area. Sea area, including the Exclusive Economic Zone 5,8 km^2 or about ¾ of the total area of Indonesia. Indonesia is the largest archipelago state in the world with about 17,500 islands and surrounded by a coastline of 81,000 km which is the second longest coastline in the world after Canada.

According to Apridar (2010), there were about 7.5 per cent (6.4 million tons / year) of the potential of the world marine fish is in the ocean waters of Indonesia. Approximately 24 million hectares of Indonesia shallow marine waters suitable for marketer with some potential for other marine organisms with high economic value to the potential production valued at 47 million tons / year. In addition, coastal land with other biota that reached an estimated 1.2 million hectares with a potential production of 5 million tons / year. Moreover, Indonesia has marine biodiversity at the genetic, species and ecosystem-highest in the world. Overall the total economic value of fisheries products and products of biotechnology waters of Indonesia is estimated to reach 82 billion US dollars per year.

As we know, the fisherman is the main occupation for the people living in the coastal areas. But in fact, the fisherman is part of a community of people who have the lowest levels of welfare. In other words, the fisher community is the poorest members of society than other subsistence (Kusnadi, 2002). Based on data from SMERU Research Institute and BPS in Luki (2009), from 8,090 coastal villages in Indonesia, where the status of fisher communities is

around 3.91 million households (16.42 million people) is included into the poor with Poverty Headcount Index (PHI) 0.32. An irony for a State Marine such as Indonesia that amid the wealth of the sea is so great with fisher communities are the lowest welfare segments of society.

According to Smith in Luki (2009) who held the study of fisheries development in various countries in Asia, and Anderson in Luki (2009) did so in the countries of Europe and North America came to the conclusion that fixity and the rigidity of fishing assets are the main reason why the fishermen still live or struggling with poverty and nothing seems their efforts to get out of poverty.

In Indonesia, especially in West Sumatra, where is geographically located on the western coast of Sumatra in an area of the sea reaches 186,580 km² and a coastline of 2,420,357 km with the potential for sustainable marine fisheries amounted to 538,457 tons per year, while the utilization rate reached 37%. Potential Fish in 2007 in the waters of West Sumatra amounted to 289,936 tons, while that can be produced amounted to 100,879.6 tons or 35% of their potential. Thus the waters of West Sumatra are still possible and a great opportunity for the development of fisheries, especially in offshore waters and the Exclusive Economic Zone (EEZ).

One of the western Sumatra region with high potential in fisheries is in Pesisir Selatan District. Pesisir Selatan District geographical location is at 0 °, 59 "LS - 2°, 29 'latitude and 100°, 19' BT - 100°, 18 'BT with a land area of 5749.89 km ² ±. Waters potential in supporting the fishing effort of which from the sea around 84 312 km ² with a coastline of 234.20 Km.

Common types of fish are produced from the fisher in Pesisir Selatan, include: large and small pelagic fish (34,008 tons / year); demersal fish (60,435.73 ton / year); decorative fish (145,164 million head / year); crustaceans (556.27 tons / year). To support the marine ecosystem

and the fishing industry here contained mangrove forest ecosystems of ± 325 Ha and coral reefs along the coastal waters.

Pesisir Selatan District is one of the regencies in West Sumatra which has 304 villages in 12 districts. Where 9 districts is the coastal districts (potential fisheries). Beside rich in fish, Pesisir Selatan is famous for its beautiful tourism objects. Lots of tourists both domestic tourists and foreign tourists come to Pesisir Selatan to enjoy its natural beauty. But relatively high poverty rate occurred in Pesisir Selatan, where as many as 41,414 families in 2006 were recorded as poor, although eventually this figure has been reduced to 29,117 households, or 24.08% in the year 2009. This data actually showed a significant decline compared to 2006. It is unfortunate natural wealth and ocean owned by Pesisir Selatan, there are many people there belonging to the poor with have low welfare.

Welfare is a person's satisfaction derived from consuming the income received. However, the level of welfare itself is relative because it depends on the amount of satisfaction obtained from consuming the income. According to Sunarti (2006), welfare is an order of life and livelihood of the social, material and spiritual, filled with a sense of safety, decency and serenity that allows every citizen to hold the fulfillment of physical, spiritual and social as well as possible for themselves, home and the community.

The welfare of a region cannot be separated from the development that occurred in the area, both in the areas of economic and social; environment condition; and economic adaptation behavior of the society. HDI is a figure benchmark the welfare of a region or a country seen by three dimensions: life expectancy at birth, literacy rate and the average years of schooling and purchasing power parity. Indicators the life expectancy at birth measures health, indicators of adult literacy rate and the average years of schooling measure education and the last indicator the

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purchasing power parity measures the standard of living. All three indicators influence each other, but it can be influenced by other factors such as the availability of jobs is determined by economic growth, infrastructure, and government policies that HDI will increase if these three elements can be improved and the value of the HDI is high indicates success in economic development of a country (UNDP, 1990).

One mentioned above is the average years of schooling which will affect welfare in a region. However, in XI Koto Tarusan which is one of the districts in Pesisir Selatan, the place will be analyzed by the author, where the authors found that fishermen have low levels of education, which is very difficult to find a fisherman has Senior High School level. Most families of fishermen there just have elementary and junior high school level. The main factor causing low education is the lack of fishermen's income.

Most theories explain that poverty triggered by low income received. The general overview is seen in the area of research is inequality income occur, which is the authors found rich fisherman and poor fishermen, some fishermen's families classified into the rich look of the houses, the income and the number of private vehicles owned, but most others fishermen are poor fishermen who have a life different from the rich fishermen, in which the authors found poor fishermen families who are not able to meet the basic needs, have erratic incomes and the house is not worthy (non-permanent).

Actually, the difference in income levels can not be separated from the profession or type of work as a fisherman, the authors found in Koto XI Tarusan that there are more poor fishermen, where poor fishermen are fishermen who work as laborers who do not have fishing gear, while the rich fisher usually have their own boats and fishing gear.

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The income of fishermen is not only influenced by the type of work as fishermen, but also influenced by how many times of a fisherman go to sea. In Koto Tarusan XI, author was found that most fishermen go to the sea by the weather. If the bad weather conditions the fishermen usually prefer not to fish, low levels of education put the fishermen do not have another profession and specialty, so when they cannot go to the sea, most fishermen in Koto XI Tarusan prefer to relax at home until the weather allows them to go to sea. Whereas in Koto XI Tarusan, the author found that the neighborhood of fishermen, supported by tourism objects as is in Nagari Ampang Pulai and Nagari Muara Pulau Karam. But only a few fishermen are interested switched professions to become an entrepreneur or do other profession related to tourism.

In the district of Koto XI Tarusan itself, the authors found was the economic development. Pesisir Selatan District government itself states the village fund allocation from the central government to Pesisir Selatan in 2016 reached Rp112 billion. Magnitude allocation was recorded much larger than the 2015 allocation is only 50 billion.

The existence of the potential sources of fish, the environmental conditions as well as the development should also be supported by the good economic adaptation behavior of fishermen that will enhance the well-being of the lives of fishermen. An irony, where they have sources of potential fish, have good environmental conditions and also have potential tourism objects, but it's not able to improve the welfare of fishermen in Tarusan. Behavioral adaptation of fisherman is how the fishermen's families take action in response to socioeconomic change in various forms that exist in the environment.

In essence, the general level of welfare is not only refers to the level of economic prosperity by the achievement of individual satisfaction to the maximum, but also involves all

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aspects of life or social environment. Without a good economic development, a good environment for society and a good of the economic adaptation behavior of fisher, it will be difficult to improve lives and the welfare of fishermen's life.

Previous researchers on welfare, such as Hendrik (2010) which addresses the welfare of fishermen based on the criteria of Bappenas, Eko (2010) based on the criteria of BPS and Abdullah (2013) who analyzed the level of welfare based on criteria of income and consumption of fisherman, and also in other studies related to welfare of fishermen where the author found there is no researcher who conducted the study with approach to development, environmental, and behavioral adaptation of economies to measure the level of welfare of fishermen, whereas the condition of the environment, development and economic adaptation behavior also affect the level of welfare of fishermen in coastal areas.

Through Structural Equation Model (SEM), its important to analyze how the influence of the environment, coastal development and the behavior of economic adaptation of fishermen to the welfare of fishermen on Pesisir Selatan exactly in Koto XI Tarusan Sub District. Based on some of the explanation above, thus a thesis entitled:

"Estimating The Determinants of Fishermen Welfare In Koto XI Tarusan Sub District, Pesisir Selatan".
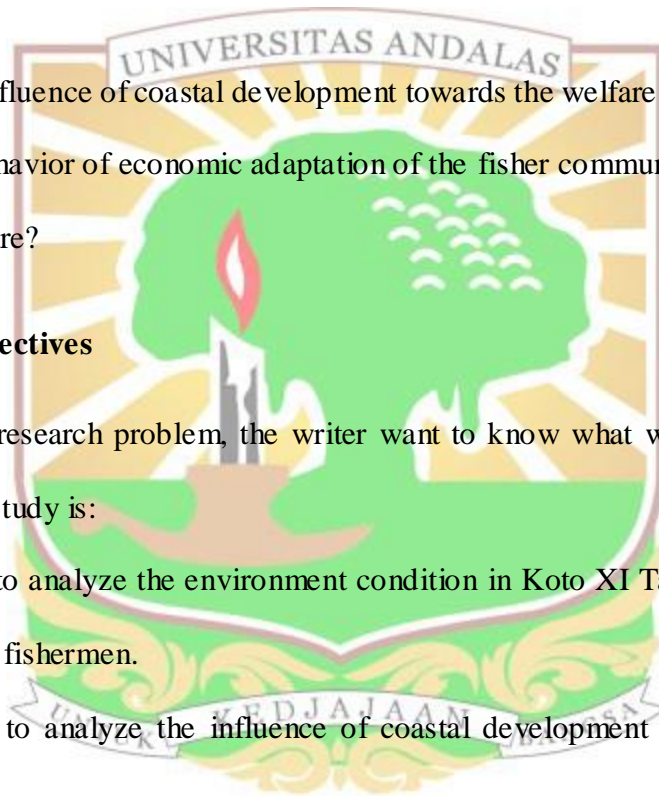
1.2. Research Problem

The low welfare and proverty are not suprising trend in the fisher community in Indonesia. Many complex reasons are stayed behind fisher prosperity, such as environment condition, coastal development and the behavior of economic adaptation of fisher communities, according this phenomenon the author will simply the question, there are :

1) How does the environment condition in Koto XI Tarusan and its influence on the welfare of fishermen?

2) How much the influence of coastal development towards the welfare of fishermen?

3) How does the behavior of economic adaptation of the fisher community and its influence on the level of welfare?

1.3. Research Objectives

Based on the research problem, the writer want to know what will be happen, then the basic purpose of this study is:

1) To describe and to analyze the environment condition in Koto XI Tarusan and its influence on the welfare of fishermen.

2) To describe and to analyze the influence of coastal development towards the welfare of fishermen.

3) To describe and to analyze the behavior of economic adaptation of the fisher community and its influence on the level of welfare.

1.4. Research Advantages

This study is expected to be useful for writer and other interested parties. As for the benefits of this research include:

1) As the partial fulfillment of the requirements of the Bachelor degree in economics.

2) For writer, improving my ability in writing report and doing research, especially on factor that affecting fisherman prosperity.

3) For the reader is expected to add understanding regarding the economic analysis about the contex of the factor affecting prosperity on fisherman.

4) For researcher in the field of economics is expected this study can be a reference for next research.

5) For government will be recommended to take better policy about how to reduce poverty and increase property especially for fisherman case.

1.5. Limitation of Study

This research will be focus to analyse the linkage factors that affecting fisherman's welfare in Koto XI Tarusan. First, the author will prepare a questionnaire for the data where the analysis using the primary data. Second, the author will spread 100 questionnaires to the families of fishermen who live along the coast of Tarusan. Third, through questionnaires distributed earlier, the author will analyze the variables that affect the welfare fishermen. And last, the author will use a Structural Equation Model to analyze these variables, then the author will describe the linkage factors affecting fisherman's welfare in Koto XI Tarusan.

1.6. Hypothesis

Based on the formulation of issues and empirical studies have been done before, the hypothesis to be tested in this study are :

1) Economic adaptation behavior of fishermen has positive relationship with fishermen's welfare

2) Development has positive relationship with fishermen's welfare

3) Environment has positive relationship with fisherme's welfare

1.7. Systematic of Writing

Systematic writing use to give a description in this reserch, in systematically this research divide by six chapter, the arrangement of this research become :
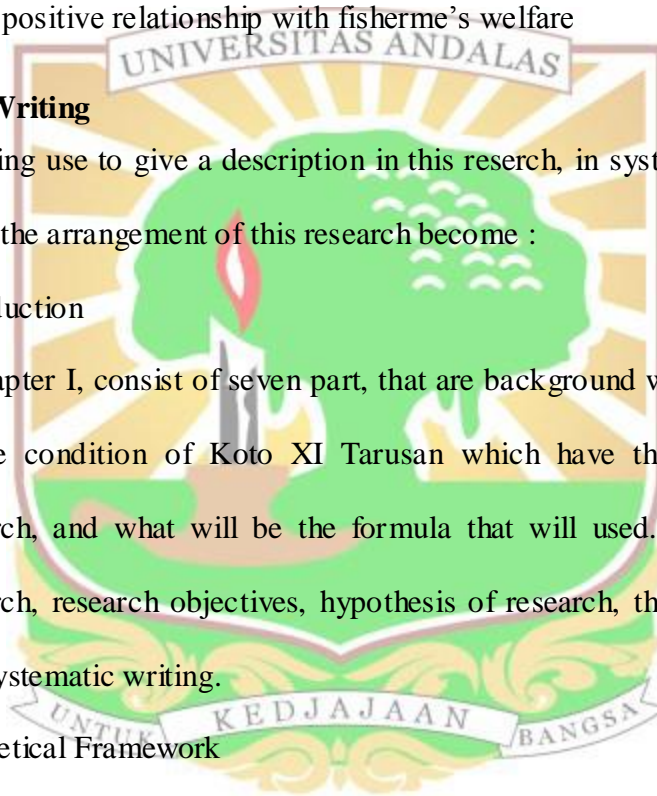
Chapter I :   Introduction

In chapter I, consist of seven part, that are background which give a description of the condition of Koto XI Tarusan which have the correlation with this research, and what will be the formula that will used. And then, the goal of research, research objectives, hypothesis of research, the limitation of reserach and systematic writing.

Chapter II :   Theoretical Framework

This chapter discuss about the theoretical framework and literature review which have a relation with fisherman, poverty and welfare.

Chapter III :   Research Methodology

This chapter describe about the model, that is Structural Equation Model (SEM), the transform of model and also data, source of data that will be used in this research.

Chapter IV :   Empirical Result and Analysis

This chapter explain about general overview research location, the output of the

research and the analysis from the processed of data.

Chapter V :   Conclusion and Recommendation