Science of Law, 2026, No. 2, pp. 86-95
DOI: 10.55284/612crx60

Government Policy on Industrial Development in Maluku Province in the Context of the Island Cluster

Marchellino Paliama[1*], J. Tjiptabudy[2], R.J Akyuwen[3], D.J.A Hehanussa[4]

[1,2,3,4]Faculty Of Law, Universitas Pattimura, Ambon, Indonesia.

Keywords:
Archipelago context,
Government policy,
Industrial development.

Abstract. The 1945 Constitution of the Republic of Indonesia (UUD 1945) provides the basis for the implementation of decentralization in Indonesia. Although in principle it adheres to a symmetrical decentralization model, the constitution also allows for asymmetrical decentralization, as stated in Article 18A paragraph (1), Article 18B paragraph (1), and Article 25A of the 1945 Constitution. This provision has particular significance for archipelagic regions, including the Province of Maluku, whose characteristics differ fundamentally from those of mainland regions. The geographical conditions of Maluku, which consists of thousands of islands, is dominated by water, is isolated, and has infrastructure gaps, require an island-based development model. This dissertation aims to analyze government policies in the implementation of industrial development in Maluku Province within the framework of asymmetric decentralization and the island cluster approach. The research focuses on the constitutional basis, the legal framework in Law No. 23 of 2014 on Regional Government and Law No. 3 of 2014 on Industry, as well as an evaluation of the implementation of industrial policy in Maluku. The research method used is a normative legal approach combined with empirical studies to obtain a comprehensive picture of legal issues and industrial development policies in the archipelago. The results of the study show that despite normative recognition of Maluku's uniqueness, the implementation of industrial policy has not been fully adaptive to the reality of the archipelago. Limited interconnectivity, weak logistics distribution, and low development of local resource-based industries are the main challenges. Therefore, this dissertation emphasizes the importance of designing industrial policies based on asymmetrical island clusters that are responsive to geographical conditions and capable of realizing equitable development for the people of Maluku within the framework of the Unitary State of the Republic of Indonesia.

1. INTRODUCTION

The 1945 Constitution of the Republic of Indonesia (UUD 1945) briefly regulates decentralization and the existence of regional government units in Indonesia. Although Indonesia adheres to a symmetrical (uniform) model of decentralization, there are asymmetries in decentralization. This is found in several articles, including Article 18 A paragraph (1), which reads:

"The relationship between the central government and provincial, regency, and city governments is regulated by law, taking into account the specificity and diversity of the regions."

Of course, the specificity and diversity of regions as referred to above also includes archipelagic regions, which clearly have different characteristics. Furthermore, Article 18 B paragraph (1) states that::

"The state recognizes and respects regional government units that are special or unique in nature as regulated by law."

In addition, Article 25 A also states that::

"The Unitary State of the Republic of Indonesia is an archipelagic state with a territory whose boundaries and rights are determined by law."

The Unitary State of the Republic of Indonesia (NKRI) is also a coastal state whose national territory component consists of land, ocean (waters) and air space (air space). Two-thirds of Indonesia's total area is ocean. Indonesia can also be called an archipelagic state, with evidence of 16,056 Islands. Approximately 6 million Km2 of Indonesian territory in the form of the sea which greatly affects the climate and weather throughout the region. Viewed from the nature, the marine environment of Indonesia shows the nature of the integral between the elements of the sea (water) and land (land).

Ecologically, this is the scientific and natural basis for the concept of archipelago insight as the embodiment of geographical unity, which is the basis of political, economic, cultural, defense and security unity..1 Thus the form of an island nation is a distinctive characteristic that represents the form of the existence of the islands. If the characteristics of the archipelago are characteristic for Indonesia, then the recognition of the characteristics of the archipelagic regions (both provinces and districts/cities) is a must.

In a unitary state there is a principle that all state affairs are not divided between the central government and the local government in such a way, so that the affairs of State in a unitary state remain a unanimity (eenheid) and that the holder of the highest authority in the country is the central governmen.2

According to M. Solly Lubis, "...In a unitary state, local governments are subordinate to the central government. This subordinate relationship can be implemented according to several principles or techniques, namely the principle of centralization, the principle of concentration, and the principle of deconcentration. In a unitary state with the principle of decentralization, there are regions that govern their areas and are given the authority to manage their own affairs, which is commonly referred to as "swatantra" or 'autonomy'...". 3

1 Mochtar Kusumaatmadja, 1987, *Bunga Rampai Hukum Laut*, Jakarta Bina Cipta, hlm. 78.
2 M. Solly Lubis, 1978, *Asas-Asas Hukum Tata Negara*, Jakarta Alumni hlm.151
3 *Ibid*, hal 152

*Corresponding author.
© 2026 Science of Law

The above constitutional provisions guarantee the opportunity for regional arrangements to receive asymmetrical treatment. Indonesia requires a system of government that is sensitive to its specific characteristics and special features, given its legendary diversity throughout history.

Indonesia respects customary law communities and traditional rights. This also means that the content of regional autonomy does not have to be uniform, and that regions have the opportunity to develop in accordance with their regional context. The form and content of regional autonomy are determined by the specific circumstances and diversity of each region. Autonomy for agricultural regions may differ from that of regions with industrial potential, or between coastal and inland regions, and so on. Likewise, regional differences in potential must be the basis for determining the form and content of autonomy. Moreover, each region can demand special treatment based solely on certain factors without any general criteria specified in the law. This is especially true if the special treatment involves certain privileges that other regions do not have.4

It should be emphasized that decentralization is dedicated to optimizing the performance of public policies and services. Law No. 32 of 2004, which was later replaced by Law No. 23 of 2014 on Regional Government, states that:

"In the context of regional administration in accordance with the mandate of the 1945 Constitution of the Republic of Indonesia, regional governments, which regulate and manage their own governmental affairs based on the principles of autonomy and assistance, are directed to accelerate the realization of community welfare through improvement, service, empowerment, and community participation, as well as increasing regional competitiveness by taking into account the principles of democracy, equity, justice, and the special characteristics of a region within the Unitary State of the Republic of Indonesia."

Furthermore, it is emphasized that:

“The efficiency and effectiveness of regional administration need to be improved by paying more attention to aspects of relations between government structures and between regional governments, regional potential and diversity, opportunities and challenges of global competition by granting the widest possible authority to the regions, accompanied by the granting of rights and obligations to implement regional autonomy within the unified system of state administration.”

The various constitutional provisions outlined above indicate that island regions need to be regulated separately due to their unique characteristics. Island regions have specific differences from other regions, particularly in relation to:

1. Different characteristics, meaning that their development model must differ from the general model.
2. Government administration must be based on the archipelago.
3. Public services must be directed to the islands because the people of the archipelago live on isolated islands.
4. On average, the people of the archipelago are lagging behind in infrastructure development.
5. The outer small islands require a simultaneous approach to prosperity and security..5

Jimly Asshiddiqie believes that Indonesia's development paradigm should not only be based on land, as has been the practice so far, but should also be oriented towards the sea. Through the concept of interconnected islands, development can begin on land as a single entity, with each island integrated with the surrounding islands. Ultimately, it is hoped that the major islands and the surrounding island regions will become an integrated economic entity.6

As a tool in development management and governance, policy is important. Therefore, in an economy that is developing towards industrialization, industrial development policy will determine its success. Industrial policy involves wise government decisions regarding efforts to meaningfully change the imbalance between the industrial sector and other economic sectors, in relation to the sector's contribution to the economy, unemployment rates, and per capita income. The main steps taken include formulating industrialization policies and plans.

The expression ubi societas ibi ius (where there is society, there is law). This expression can be analogized with “where there is society/human beings, there are rules.” Regulations are instruments that support and regulate human life in carrying out various activities. A set of regulations created and developed by humans is nothing more than a means to fulfill the needs of human life itself, because humans really need them as the main regulators in today's life. Humans must determine for themselves how they should act to fulfill the prerequisites of their lives, so humans need knowledge of these rules that are as accurate and complete as possible about the entire reality of industrial development conceptually and dynamically in society.

Maluku, as an archipelagic region, has been fighting for the realization of a governance system that is sensitive (asymmetrical) to the concept of island clusters in a number of provinces in Indonesia. Maluku is in fact an archipelagic province and, based on Law No. 23 of 2014 mentioned above, is entitled to hold the status and function of an archipelagic province. Provisions regarding this need to be elaborated in a series of implementation proposals. This study aims to simulate the implementation process that should take place within the framework of asymmetric decentralization.

Government policy on industrial development in regions, particularly in Maluku Province, using an island cluster approach. According to Presidential Regulation of the Republic of Indonesia Number 77 of 2014 concerning the Spatial Plan for the Maluku Islands, Article 1 paragraph (3) explains that

“An island cluster is an area that includes several islands and their waters, formed on the basis of the interaction between the sea and the islands in accordance with physical, ecological, economic, social, and cultural conditions.”

This certainly provides a number of new paradigms that have an impact on the lives of industry players in utilizing the potential of local raw materials (core commodities) from each of the regions in Maluku for development.

The role of the industrial sector in the economy has become increasingly important with the enactment of Law Number 3 of 2014 concerning Industry. Articles 10 and 11 of Law Number 3 of 2014 concerning Industry mandate that every governor and regent/mayor formulate a Provincial Industrial Development Plan and a Regency/City Industrial Development Plan. This government policy aims to encourage the advancement of the industrial sector in a planned and systematic manner in a planning document. This planning document must serve as a guideline in determining industrial policy and regional development directions.

The enactment of Law No. 3 of 2014 on Industry has had a significant impact, particularly on industrial development in Maluku, which covers a vast area that is almost entirely surrounded by sea. When examining data on the area of Maluku Province, it is clear that the archipelago of islands in Maluku has had a major impact, particularly on the lives of communities living in the island groups that stretch across almost the entire region of Maluku.

---

4 Bagir Manan, 2001, *Menyongsong Fajar Otonomi*, Psh Fakultas Hukum UII, Yogyakarta, , hlm.11

5 Kotan Y. Stefanus, *Daerah Kepulauan sebagai Satuan Pemerintahan Daerah yang Bersifat Khusus,* Jurnal Dinamika Hukum Volume 11, No. 1, Januari 2011, hlm 100

6 Jimly Asshiddiqie, *Negara Kesatuan Republik Indonesia, Negara Kepulauan yang Berciri Nusantara, Diskusi dengan Pimpinan Kementerian Kelautan dan Pimpinan Komisi DPR-RI tentang Aspek Hukum Kebijakan Pembangunan Kelautan*, di Kementerian Kelautan, Jakarta, Rabu, 15 Juni 2011, hlm. 1

In general, the Maluku region has characteristics that differ from other regions. These differences can be seen in many aspects, some of which are: First, the Maluku archipelago has aquatic-terrestrial characteristics (the sea area is larger than the land area). The biggest challenge faced by the local government is to give equal attention to all areas of the islands and at the same time build connections between the islands in a unified spatial plan for the islands and the sea. Second, demographically, the population of the Maluku archipelago is relatively small and unevenly distributed, with small islands tending to be densely populated while large islands are sparsely populated.

The scattered and separated nature of the Maluku Islands means that development programs tend to be concentrated on the islands that are the centers of regional government, with less focus on other islands. This scattered nature also hinders the mobility of resources and people due to the lack of transportation networks. This situation also leads to poor monitoring and control of order and security in the region, as well as the emergence of potential conflicts and political-security issues (separatism). Third, productive and small-scale economic activities are limited due to human resources (HR) in a limited economic development pattern and the lack of adequate and accessible distribution and marketing networks.

Therefore, the implementation of industrial policies that are favorable to all interests of the people in Maluku is highly expected, which will certainly lead to policies aimed at creating a conducive business climate, particularly for the growth and development of industry in each regency/city in Maluku.

2. METHOD

The research used by the author is normative legal research. The procedure for collecting legal materials was carried out by conducting a literature review of legal materials, namely primary, secondary, and tertiary legal materials. The legal materials obtained were then analyzed qualitatively.

3. RESULT AND DISCUSSION

3.1. Implementation of Government Policies in Industrial Development in Maluku Province

3.1.1. Policy Implementation

Implementation is defined briefly as to implement means to provide means for carrying out; to give practical effect to. Policy implementation is a series of activities after a policy has been formulated. Without implementation, a formulated policy will be useless. Therefore, policy implementation has an important position in public policy.

Interpreting and establishing a policy before implementation is the first step that needs to be taken in the implementation of an achievement such as a program that has been sorted out before the establishment. Interpreting this involves defining or regulating methods for implementing the program. Programs that provide opportunities for the government that have been handed over to local governments come in many forms and types, one of which is related to policies on people's welfare and regional development. Therefore, the creation or implementation of policies must be based on policies that are pro or appropriate not only for one region but for other regions as well, so that there is no gap in justice and public welfare.

Implementation, according to Merriam Webster, is an action or example of applying something. This action includes the process of making something active or effective. Implementation is the process of turning strategies and plans into actions to achieve strategic goals and objectives. Implementation is an action that must follow every initial thought so that the goal is truly achieved. Implementation is usually carried out after planning has been finalized. Implementation can also mean execution, which comes from the English word "implement," meaning to carry out.7

Basically, the definition of policy implementation is not only related to the mechanism of translating political decisions into routine bureaucratic procedures, but also to the aspects of policy realization and the conditions under which the policy was made, who made it, the consequences of the policy, and how the policy is after it is implemented. The policy implementation stage will bring about consequences that are biased and most felt by the community, namely negative and positive consequences. Policy implementation is a further process from the policy formulation stage. At the formulation stage, policy strategies and objectives are applied, while actions to achieve the objectives are carried out at the policy implementation stage. Implementation is a set of activities carried out following a decision that has been issued. A decision is always intended to achieve a specific goal.

According to Edward III, policy implementation is the stage between policy formulation and the consequences or effects of the policy on the target group it affects. If a policy is not appropriate for reducing the problems that are the policy's targets, then the policy may fail even if it is implemented very well. Even a brilliant policy that is implemented poorly is likely to fail to achieve its objectives.

Implemented policies that carry the risk of failure According to Hogwood and Gunn, policy failure can be divided into two categories: non-implementation and unsuccessful implementation. Policy implementation failure is mostly caused by:

1. *Bad execution*;
2. *Bad policy*;
3. *Bad luck*

Regarding this issue of failure, Edward III sees that the bureaucratic structure has an impact on policy implementation in the sense that policy implementation will not be successful if there are deficiencies in the bureaucratic structure.8

3.2. III George Edward III's Policy Implementation Model

Edward, in Subarsono (2005:90), views policy implementation as a dynamic process, in which there are many factors that interact and influence policy implementation. These factors need to be identified in order to understand how they affect implementation.

Factors that influence the success or failure of policy implementation include communication, resources, disposition, and bureaucratic structure.

7 Hanifah Harsono, Implementasi Kebijakan Dan Politik, Bandung: PT. Mutiara Sumber Widya (2002): 21-25.
8 Alexander Phuk Tjilen, Konsep, Teori Dan Teknik, Analisis Implementasi, Kebijakan Publik, Bandung: Nusamedia (2019): 24-26.

3.3. Communication

Communication is the process of conveying information from the communicator to the recipient. Meanwhile, policy communication refers to the process of conveying policy information from policy makers to policy implementers. Information needs to be conveyed to policy implementers so that they can understand the content, objectives, direction, and target group of the policy. This enables policy implementers to prepare everything related to policy implementation so that the process can run effectively and in accordance with the objectives of the policy itself.

Communication in policy implementation covers several important dimensions, namely information transformation (transmission), clarity of information, and consistency of information. The dimension of transformation requires that information be conveyed not only to policy implementers but also to target groups and related parties. The clarity dimension requires that information be clear and easy to understand, in addition to avoiding misinterpretation by policy implementers, target groups, and relevant parties in policy implementation. Meanwhile, the consistency dimension requires that the information conveyed be consistent so as not to cause confusion among policy implementers, target groups, and relevant parties.

3.3.1. Resources

Resources play an important role in policy implementation. Edward III argues that no matter how clear and consistent the provisions and rules are, and no matter how accurately they are communicated, if the policy implementers responsible for implementing the policy lack the resources to implement the policy effectively, then the implementation of the policy will not be effective. Resources here refer to all sources that can be used to support the successful implementation of policies. These resources include human resources, budget, facilities, information, and authority.

3.3.2. Disposition

The behavioral tendencies or characteristics of policy implementers play an important role in realizing policy implementation that is in line with the objectives or targets. Important characteristics that policy implementers must have include honesty and a high level of commitment. Honesty guides implementers to remain within the scope of the program that has been outlined, while a high level of commitment from policy implementers will make them enthusiastic in carrying out their duties, authorities, functions, and responsibilities in accordance with established regulations. The attitude of policy implementers will greatly influence policy implementation. If implementers have a good attitude, they will be able to implement policies well as desired by policy makers. Conversely, if their attitude is not supportive, implementation will not be carried out properly.

3.3.3. Bureucratic Structure

Organizational structure has a significant influence on policy implementation. This aspect of organizational structure encompasses two things, namely mechanisms and the bureaucratic structure itself. The first aspect is mechanisms. In policy implementation, standard operating procedures (SOPs) are usually established. SOPs serve as guidelines for every implementer to ensure that policy implementation does not deviate from the objectives and targets of the policy. The second aspect is the bureaucratic structure. A bureaucratic structure that is too long and fragmented will tend to weaken oversight and lead to complicated and complex bureaucratic procedures, which in turn will cause organizational activities to become inflexible.

3.4. Grindle's Policy Implementation Model

The Public Policy Implementation Model proposed by Grindle in Nugroho,9 states that the success of the policy implementation process in achieving results depends on the program activities that have been designed and adequate funding, in addition to being influenced by the content of the policy and the context of its implementation.

The content of policy refers to:

1. *Interest affected*;
2. *Tipe of benefit*;
3. *Extent of change envisioned*;
4. *Site of decision making*;
5. *Program implementators*;
6. *Resources commited*.

Meanwhile, the implementation context refers to

1. *Power*;
2. *Interest strategies of actors involved*;
3. *Institution and regime characteristics*;
4. *Compliance and responsiveness*.

3.5. Van Meter and Van Horn Policy Implementation Model

The model introduced by Donald Van Meter and Carl Van Horn in Nugroho10, assumes that policy implementation runs linearly from public policy, implementers, and public policy performance. Several variables included as variables that influence public policy are the following:

1. Implementation activities and communication between organizations;
2. Characteristics of implementing agents/implementers;
3. Economic, social, and political conditions;
4. Disposition of implementers.

9 Ibid
10 Ibid

3.5.1. Implementation of Government Policy in Industrial Development in Maluku Province

The specificity of the above provisions forms the basis for strengthening the capacity of communities and governments in the archipelago. The natural resources found in the inland sea between islands are a source of benefit for communities in the archipelago and for the Indonesian people as a whole.

The customary institutions that still exist and function today are well known to the communities and governments of each island region. Such customary institutions essentially have the capacity to be revitalized for the benefit of communities in island regions. Cooperation in the economic or business sector carried out by communities on the islands, which is currently done traditionally and on a small to medium scale, can be revitalized into larger business cooperation groups. The regional governments of the islands are well acquainted with the existing cooperation groups within their respective communities. Practices that have become traditional in island communities can become a locus of power that is still useful for the future.

This approach is believed to be capable of empowering and lifting communities in island regions out of poverty and deprivation. Communities living on the coast, small islands, and surrounding seas still have the ability to manage natural resources in the waters between islands within the territorial waters of island regions.

This can be linked to the view that "the issue of authority in the archipelago is closely related to the desire for self-regulation by authorities in the archipelago, which involves customary law communities in archipelagic regions whose lives are closely related to the coast and the sea. ... This self-regulation is related to social and economic diversity, as well as the goal of fulfilling civil, political, cultural, and economic rights in achieving the desired objectives ..." that exist in the archipelago.

Meanwhile, the management of community and state life at the local level (rural areas on small islands), and even at the district level in some places, shows the roles and functions of customary institutions and social institutions in the administration of government, which is closely related to the management of their natural resources.

For certain communities, the sea is not viewed as separate from the land but rather as land covered by water, as is the view of the communities in the Kei Islands, Southeast Maluku District. This has a deep philosophical meaning, namely that the sea and the land have an ecological relationship within an ecosystem and cannot be viewed separately.

This shows that communities on each small island or group of small islands understand the specificities of their physical, ecosystem, ecological, and biological environments, which play a role in their economy and socio-culture.

Therefore, the meaning of “special treatment” for governments and communities in island regions should not be carried out solely as a series of special measures, but rather as treating the territory dominated by the ocean as a single geographical entity, both on land and in the waters between islands or inland seas. In addition, because territorial areas dominated by oceans “... have unique physical, ecological, and biological environments that play a role in the economy and socio-culture of the community,” and together constitute invaluable wealth and strength that promote the achievement of a prosperous life for the people who live there.

The province of Maluku, an archipelago in Eastern Indonesia, has enormous strategic potential for national industrial development. Its unique geographical characteristics, with thousands of small and large islands, abundant natural resources, and strategic position on international trade routes, provide both opportunities and challenges in the implementation of industrial development policies. However, the implementation of government policies in the development of industry in Maluku Province still faces various structural and operational obstacles that require in-depth study. Industrial development in archipelagic regions has its own complexities compared to mainland regions, where separate geographical factors, limited inter-island infrastructure, and heterogeneous socioeconomic conditions of the community are important variables that influence the success of policy implementation. Therefore, a comprehensive and adaptive approach is needed in designing and implementing industrial development policies that are in line with the characteristics of archipelagic regions.

Policy implementation is a crucial stage in the public policy process that determines the success of achieving predetermined objectives. According to Van Meter and Van Horn11, policy implementation refers to actions taken by individuals or groups within the government or private sector that are aimed at achieving the objectives set out in previous policy decisions. This concept emphasizes the operational aspects of policies that have been formulated into concrete programs that can be implemented in the field. Edwards III12 identifies four main factors that influence policy implementation, namely communication, resources, disposition, and bureaucratic structure. The communication factor relates to the delivery of clear and consistent policy information to all parties involved in the implementation. Resources include the availability of the budget, personnel, facilities, and information needed to implement the policy. Disposition refers to the attitude and commitment of the implementers towards the policy to be implemented, while bureaucratic structure relates to the organization and work mechanisms that support policy implementation.

In the context of industrial development in the archipelago, policy implementation becomes increasingly complex because it involves cross-sector and cross-regional coordination. Mazmanian and Sabatier13 emphasize that effective policy implementation requires clear objectives, sustained political support, and adequate institutional capacity. These factors are particularly relevant in the context of industrial development in Maluku Province, which has unique geographical and socioeconomic characteristics. According to Ripley and Franklin14 the success of policy implementation is greatly influenced by political environment factors, administrative capacity, and stakeholder support. In the context of industrial development in Maluku Province, the political environment factor relates to the commitment of the central and regional governments to develop industry in the archipelago, where national policy support through various programs such as the Master Plan for the Acceleration and Expansion of Indonesian Economic Development (MP3EI) and Special Economic Zones (KEK) provides positive momentum for industrial development in Maluku.

Government policy on industrial development in Indonesia is based on a vision to make Indonesia a strong and globally competitive industrial nation. Law No. 3 of 2014 on Industry is the main legal basis governing industrial development in Indonesia. Article 3 of this law states that the implementation of industrialization aims to realize national industry as a pillar and driver of the national economy, create competitive advantages based on the comparative advantages of natural resources and human resources, and improve the prosperity and welfare of the people in a fair manner. Article 4 of the Industrial Law explains that industrial development is carried out based on the principles of benefit, equitable efficiency, sustainability, environmental awareness, independence, resilience, democracy, and transparency. These principles serve as guidelines in the implementation

---

11 Van Meter, Donald S. dan Carl E. Van Horn. 1975. The Policy Implementation Process: A Conceptual Framework. Administration & Society 6(4): 445-488.

12 Edwards III, George C. 1980. Implementing Public Policy. Washington, D.C.: Congressional Quarterly Press.

13 Mazmanian, Daniel A. dan Paul A. Sabatier. 1983. Implementation and Public Policy. Glenview, IL: Scott, Foresman and Company.

14 Ripley, Randall B. dan Grace A. Franklin. 1986. Policy Implementation and Bureaucracy. Chicago: Dorsey Press.

of industrial development policies throughout Indonesia, including in Maluku Province.

Industrial development policy in Indonesia is also regulated through Government Regulation No. 14 of 2015 concerning the 2015-2035 National Industrial Development Master Plan. Article 2 of this Government Regulation stipulates that the RIPIN is formulated to provide direction for long-term national industrial development by taking into account regional potential and advantages. Article 3 paragraph (1) explains that the RIPIN contains the vision, mission, objectives, targets, policy directions, and strategies for national industrial development. In the context of regional industrial development, Article 13 paragraph (1) of the Industrial Law gives local governments the authority to formulate regional industrial development plans that are aligned with the national industrial development plan. This provides scope for the Maluku Provincial Government to develop industrial development policies in line with regional characteristics and potential. Article 98 paragraph (1) of the Industrial Law grants provincial local governments the authority to foster industry in their regions in accordance with their authority, which provides a legal basis for the Maluku Provincial Government to develop industrial development policies in line with regional characteristics and potential.

Industrial development in island regions has different characteristics from industrial development in mainland regions. According to Dahuri, island regions have comparative advantages in marine and fisheries industries, tourism, and natural resource-based industries. However, island regions also face challenges in terms of connectivity, logistics efficiency, and human resource development. The province of Maluku, with an area of 712,479.69 km², consisting of 92.4% ocean and 7.6% land, has enormous industrial potential. The wealth of natural resources in the form of marine products, forestry, mining, and agriculture provides opportunities for the development of downstream industries that can increase the added value of the region's leading products. However, the geographical condition consisting of thousands of islands poses a challenge in the development of industrial infrastructure.15

According to Soemarwoto16 , industrial development in the archipelago must take into account environmental carrying capacity and ecosystem sustainability. This is because marine ecosystems are fragile and vulnerable to the negative impacts of industrial activities. Therefore, industrial development in Maluku Province must apply the principles of sustainable development that take into account environmental, social, and economic aspects in a balanced manner. The concept of the blue economy is highly relevant in the context of industrial development in the archipelago. According to Pauli, the blue economy is an economic model that optimizes the sustainable use of marine resources for economic growth, livelihoods, and the health of marine ecosystems. This concept provides an appropriate framework for industrial development in Maluku Province, which has enormous marine resource potential.

The implementation of industrial development policies in Maluku Province faces various structural and operational challenges. From a structural perspective, the archipelagic geography consisting of thousands of islands is a major obstacle to industrial infrastructure development. Limited connectivity between islands, both by sea and air transportation, results in high logistics costs, which ultimately reduce the competitiveness of industrial products.

The strategy for implementing industrial development policies in Maluku Province focuses on developing industrial clusters based on the region's leading natural resources. The fisheries and marine industry cluster is a top priority given the enormous potential of marine resources. The development of the fish processing industry, salt industry, and seaweed industry are flagship programs that are expected to increase the added value of the region's leading products. However, the implementation of this policy faces various operational obstacles. Limited supporting infrastructure, such as ports, roads, and telecommunications systems, is a major obstacle to industrial development. In addition, the limited availability of human resources with technical expertise in the industrial sector is another challenge that must be overcome. To overcome these obstacles, the Maluku Provincial Government has developed a phased and adaptive implementation strategy, where the first phase focuses on the development of basic infrastructure such as ports and inter-island connecting roads, the second phase focuses on human resource development through training and vocational education programs, and the third phase focuses on the development of downstream industries that can utilize the infrastructure and human resources that have been prepared.

Coordination between government agencies is key to the successful implementation of industrial development policies in Maluku Province. The Maluku Provincial Industry and Trade Office, as the leading sector, coordinates with various related agencies such as the Public Works Office, the Marine and Fisheries Office, and the Regional Investment Agency to ensure the synchronization of programs and activities. The New Public Management (NPM) theory developed by Hood 17 also provides a relevant perspective on the implementation of industrial development policies. NPM emphasizes the importance of efficiency, accountability, and results orientation in government administration. In the context of industrial development in Maluku, NPM principles can be applied through the development of an effective monitoring and evaluation system, improvement of public service quality, and empowerment of the private sector in industrial development.

Todaro and Smith18 in their economic development theory, emphasize that industrial development in developing countries must consider local factors such as resource availability, infrastructure conditions, and human resource capacity. In the context of Maluku Province, this approach is particularly relevant given its unique geographical and socioeconomic conditions. Industrialization strategies must be tailored to the characteristics and potential of the region to ensure the sustainability and success of the program. Porter, through his industrial cluster theory, explains that effective industrial development requires the geographical concentration of interrelated companies, specialized suppliers, service providers, and other supporting institutions. This concept can be applied in industrial development in Maluku Province through the formation of industrial clusters based on leading natural resources, such as the fishing industry cluster in Southwest Maluku Regency and the agricultural industry cluster in Buru Regency.

Krugman19 in his theory of economic geography, emphasizes that the location of industry is greatly influenced by factors such as transportation costs, economies of scale, and regional specialization. In the context of Maluku Province, this theory provides insight that industrial development must consider location efficiency and connectivity with markets. Therefore, industrial development strategies must focus on locations that have good accessibility and are close to sources of raw materials. The legal basis for the implementation of industrial development policies in Indonesia is regulated in various levels of legislation. Article 33 paragraph (3) of the 1945 Constitution of the Republic of Indonesia states that the land, water, and natural resources contained therein are controlled by the state and used for the greatest prosperity of the people. This provision provides a constitutional basis

15 Dahuri, Rokhmin. 2003. Paradigma Baru Pembangunan Indonesia Berbasis Kelautan. Bogor: Institut Pertanian Bogor.

16 Soemarwoto, Otto. 2004. Ekologi, Lingkungan Hidup dan Pembangunan. Jakarta: Djambatan.

17 Hood, Christopher. 1991. A Public Management for All Seasons? Public Administration 69(1): 3-19.

18 Todaro, Michael P. dan Stephen C. Smith. 2015. Economic Development. Boston: Pearson.

19 Krugman, Paul. 1991. Increasing Returns and Economic Geography. Journal of Political Economy 99(3): 483-499.

for the government to manage natural resources in the context of equitable industrial development.

Law No. 23 of 2014 on Regional Government, as amended several times, most recently by Law No. 1 of 2022, also provides a legal basis for the division of government affairs between the central government and regional governments. Article 12 paragraph (1) states that government affairs under regional authority consist of mandatory and optional affairs. Industry is one of the optional affairs that can be carried out by the region in accordance with the potential and advantages of the region. Minister of Industry Regulation No. 35 of 2010 concerning Technical Guidelines for Industrial Estates regulates the technical aspects of industrial estate development. Article 3 paragraph (1) states that industrial estates are developed to increase industrial efficiency and the competitiveness of industrial products. This regulation serves as a guideline for the development of industrial estates in Maluku Province.

In the context of archipelagic regions, Law No. 1 of 2014 on Coastal Zone and Small Islands Management provides a specific legal framework. Article 7 paragraph (1) states that the management plan for coastal areas and small islands shall be prepared as an integral part of the national development planning system. Article 23 paragraph (1) stipulates that the use of coastal areas and small islands for industrial activities may be carried out by taking into account environmental carrying capacity and ecosystem sustainability. The implementation of industrial development policies in Maluku Province faces multidimensional challenges. The main challenge is the geographical condition of the archipelago, which results in high logistics costs and difficulties in infrastructure development. According to data from the Maluku Provincial Statistics Agency, logistics costs in Maluku reach 35-40% of total production costs, which is much higher than the national average of 23-24%. Another challenge is the limited number of human resources with technical expertise in the industrial sector. This condition is exacerbated by the brain drain phenomenon, where educated workers tend to migrate outside the region in search of better job opportunities. This has led to a gap between the demand for skilled workers and their availability in the region.

The province of Maluku has enormous opportunities for industrial development. Its abundant natural resources, strategic position on international trade routes, and the support of central government policies through various development programs provide positive momentum for industrial development. The potential of the marine and fisheries industries, the tourism industry, and other natural resource-based industries can be developed by utilizing modern technology and innovative approaches. The implementation of government policies in the development of industry in Maluku Province is a complex and challenging process. The unique characteristics of the archipelago require an adaptive and innovative approach in designing and implementing industrial development policies. The success of policy implementation is greatly influenced by factors such as communication, resources, the disposition of implementers, and a supportive bureaucratic structure.

3.6. Government Policy Implementation Strategies in Industrial Development in Maluku Province

Industrial development in Maluku Province is one of the strategic priorities in efforts to boost regional economic growth and improve community welfare. As an archipelagic province with abundant natural resources, Maluku has great opportunities to develop an industrial sector based on local comparative advantages. However, the implementation of industrial development policies in this region faces various complex challenges that require specific strategies and a comprehensive approach. Geographical conditions consisting of hundreds of islands with limited connectivity, limited qualified human resources, and access to financing that is still concentrated in major cities are factors that affect the effectiveness of industrial policy implementation in this region.

According to Pressman and Wildavsky, the concept of public policy implementation is the process of transforming political decisions into operational actions that have an impact on society.20 In the context of industrial development, policy implementation involves various aspects ranging from strategic planning, resource allocation, inter-agency coordination, to program monitoring and evaluation. George C. Edwards III identifies four key factors that influence the success of policy implementation, namely:

1. Effective communication between policy makers and implementers,
2. The availability of adequate resources, both financial and human,
3. The disposition or attitude and commitment of policy implementers, and
4. A bureaucratic structure that supports the implementation process. 21

These four factors form an important basis for analyzing the implementation strategy for industrial development policies in Maluku, where each factor presents its own challenges that must be overcome through appropriate and sustainable approaches.

The implementation of industrial development policies in Indonesia, including in Maluku Province, is based on various applicable laws and regulations that serve as a strong legal umbrella. Law Number 3 of 2014 concerning Industry is the main foundation that regulates industrial activities in Indonesia. Article 4 of the Industry Law states that industry is organized based on the following principles:kepentingan nasional;

1. national interest;
2. economic democracy;
3. togetherness;
4. fair efficiency;
5. sustainability;
6. environmental awareness;
7. independence;
8. balanced progress; and
9. unity in national economic policy.

This provision provides clear guidance for local governments in formulating industrial policies that are in line with national objectives, while also providing room for creativity and innovation in developing the local potential of each region.

Furthermore, Article 5 paragraph (1) of the Industrial Law emphasizes that the objectives of industry are:

1. To realize national industry as a pillar and driver of the national economy;
2. Realizing the depth and strength of the industrial structure;
3. Realizing an independent, competitive, and advanced industry;

---

20 Jeffrey L. Pressman dan Aaron Wildavsky, Implementation: How Great Expectations in Washington Are Dashed in Oakland (Berkeley: University of California Press, 1973), hal. 143-167.

21 George C. Edwards III, Implementing Public Policy (Washington, D.C.: CQ Press, 1980), hal. 9-15.

4. Realizing business certainty, healthy business competition, and preventing the concentration or control of industry by a group or individual that is detrimental to the community;
5. To create employment opportunities and improve public welfare; and
6. To increase the nation's prosperity and competitiveness.

These objectives serve as fundamental guidelines in the formulation of industrial development strategies at the regional level, whereby each region must be able to translate these national objectives into a local context that is in line with its characteristics and potential.

In the context of Regional Autonomy, Law No. 23 of 2014 on Local Government gives broad authority to the provincial government to conduct government affairs in the field of industry. Article 13 paragraph (1) states that mandatory government affairs related to basic services include:

1. Education;
2. Health;
3. Public Works and spatial planning;
4. Public housing and residential areas;
5. Peace, Public Order, and protection of the community; and
6. Social.

Meanwhile, Article 14 regulates selected government affairs that can be implemented by regions in accordance with the potential and advantages of each region, including in the field of industry. This provides flexibility for the Maluku provincial government to develop specific industrial policies and in accordance with local needs and potential.

In the perspective of regional economic development theory, industrial development in islands such as Maluku requires a different approach to continental areas. The growth pole theory developed by François Perroux explains that economic development tends to occur at certain points with varying intensity and spread throughout the economy through various channels . In the context of Maluku, this concept can be applied by developing industrial centers on strategic islands that can then provide a multiplier effect to the surrounding area. This approach allows the concentration of resources and infrastructure in locations that have a comparative advantage, thereby creating greater efficiency and competitiveness.

According to Michael Porter in his theory of regional competitive advantage, sustainable industrial development should be based on the diamond model which includes four main determinants:

1. Conditions of production factors such as natural resources, human resources, and infrastructure;
2. Demand conditions both domestic and international;
3. Related and supporting industries that can create strong industrial clusters; and
4. Corporate strategy and healthy competition to drive innovation and efficiency22.

The application of this concept in Maluku requires the identification and development of comparative advantages possessed by the province, such as the potential for abundant marine resources, plantations with superior commodities such as nutmeg and cloves, and tourism with a unique culture and interesting nature.

According to Sjafrizal, the importance of cluster-based industrial development strategy (cluster-based industrial development)23. Cluster approach allows the creation of synergies between various industry players, ranging from primary producers, suppliers of raw materials, supporting services, to research and development institutions. In the context of Maluku, the development of industrial clusters can be focused on leading sectors such as seafood processing by utilizing abundant fisheries potential, agro-industry based on local plantation commodities, and creative industries based on rich and diverse local cultures. This cluster approach also allows the creation of economies of scale that can improve the competitiveness of Maluku industrial products in national and international markets.

The implementation of industrial development policy in Maluku province faces various structural challenges that require comprehensive and sustainable solutions. Geographical conditions as an archipelago create its own complexity in terms of connectivity and distribution. Mudrajad Kuncoro in his research on Indonesia's industrial economy said that the limitations of transportation and communication infrastructure are the main obstacles in industrial development in remote areas and Islands24. This is very relevant to the condition of the Moluccas consisting of hundreds of islands with a limited level of connectivity, so that transportation and logistics costs become very high and can reduce the competitiveness of industrial products produced.

The human resources aspect is also a critical factor in the implementation of effective and sustainable industrial policies. According to data from the Central Bureau of Statistics, the level of education and skills of the workforce in Maluku is still relatively low compared to other industrial regions in Indonesia. Lincolin Arsyad in his book Development Economics asserts that sustainable industrial development requires the availability of human resources that have adequate technical and managerial competencies25. This condition requires serious investment in vocational education and training relevant to the needs of the industry, as well as the development of capacity building programs that can improve the quality and productivity of the local workforce.

Limited access to financing is also a significant obstacle to industrial development in the Moluccas. The centralized banking structure of large cities and tight credit requirements often make it difficult for local businesses to access the capital needed for industrial business development. Dr. Mudrajad Kuncoro explained that access to sources of financing is a fundamental prerequisite for the growth of the industrial sector, especially for small and medium-sized businesses that form the backbone of the regional economy26. This condition requires innovations in the financing system, such as the development of microfinance institutions, low-interest credit schemes, and capital assistance programs that can facilitate business access to the necessary sources of financing.

Based on the analysis of various factors that influence the implementation of the policy, a comprehensive strategy is needed that can optimize the potential of industrial development in the Moluccas, among others:

---

22 Michael E. Porter, The Competitive Advantage of Nations (New York: Free Press, 1990), hal. 69-130.
23 Sjafrizal, Ekonomi Regional: Teori dan Aplikasi (Jakarta: Rajawali Pers, 2014), hal. 178-195.
24 Mudrajad Kuncoro, Ekonomi Industri Indonesia: Analisis Struktural dan Prospek Pembangunan Ekonomi di Era Otonomi Daerah (Jakarta: Erlangga, 2010), hal. 234-256.
25 Lincolin Arsyad, Ekonomi Pembangunan (Yogyakarta: UPP STIM YKPN, 2010), hal. 456-478.
26 Mudrajad Kuncoro, Ekonomi Industri Indonesia: Analisis Struktural dan Prospek Pembangunan Ekonomi di Era Otonomi Daerah (Jakarta: Erlangga, 2010), hal. 189-210.

1. Integrated and sustainable infrastructure development. This includes the construction of ports with adequate facilities to support industrial activities, airports that can accommodate air transportation needs, roads that connect production centers with markets, and communication systems that can improve connectivity between islands.
2. Human Resource Development through education and training programs relevant to the needs of future industries. This includes the establishment of job training centers equipped with modern equipment, cooperation with universities for the development of study programs that are in accordance with industrial needs, and internship programs at industrial companies both inside and outside the region.
3. Institutional and governance strengthening that supports a conducive investment climate. This includes simplifying licensing procedures through an integrated online system, establishing a one-stop service that can serve all investor needs in one place, and strengthening the capacity of government officials to serve investors with professionalism and efficiency,
4. The development of industrial clusters based on local advantages and can create optimal added value. Maluku has great potential in the fisheries sector with abundant marine resources, agriculture with superior commodities such as nutmeg and cloves, and tourism with unique nature and interesting culture.

The successful implementation of industrial development policy in Maluku is highly dependent on effective coordination between the various stakeholders involved in the development process. The provincial government as the main coordinator needs to build synergies with district/city governments, businesses, academics, and the community. Pentahelix Model that integrates roles

1. Government as regulator and facilitator;
2. Academics as research and development providers;
3. Business as the main actor of industrial activity;
4. Communities as supporters and beneficiaries; and
5. Media as a means of communication and promotion, can be an effective framework in the context of Sustainable Industrial Development..

An effective monitoring and evaluation system is an important prerequisite for the successful implementation of sustainable industrial development policies. The Maluku provincial government needs to develop performance indicators that are measurable and can be monitored periodically to ensure that policy implementation is going according to established plans. These indicators include quantitative aspects, among others:

1. The number of companies operating in the industrial sector;
2. The value of investments into the industrial sector;
3. The number of workers employed in the industry, and
4. The contribution of the industrial sector to the gross regional domestic product (grdp) of maluku.

In addition to quantitative aspects, the evaluation also needs to consider qualitative aspects such as the level of investor satisfaction with government services, the quality of industrial products produced, and the impact of the industry on the environment. According to Riant Nugroho suggested the use of participatory evaluation methods by involving various stakeholders in the assessment process27. This approach allows obtaining comprehensive feedback from various parties involved in the implementation of the policy, so that improvements and adjustments can be made as needed to improve the effectiveness of the policy. A participatory evaluation system can also increase the sense of ownership and responsibility of various parties towards the successful implementation of industrial development policies.

The implementation of industrial development policy in Maluku province requires a comprehensive and sustainable approach taking into account the unique characteristics of the archipelago and optimizing the potential of available resources. An effective strategy should consider the integration between infrastructure development, improving the quality of human resources, institutional strengthening, and the development of industrial clusters based on local excellence. Coordination among stakeholders, strengthening infrastructure that supports inter-island connectivity, developing quality human resources, and creating a conducive investment climate are the main keys to the successful implementation of industrial policy in Maluku.

So the need to increase the effectiveness of industrial development policy implementation in Maluku include:

1. the need for the preparation of an industrial development master plan that is integrated with regional development plans and considers the potential and existing challenges;
2. significant increase in budget allocations for infrastructure development and sustainable human resource development programs;
3. the establishment of a special agency that handles investment promotion and integrated services to provide more professional services to investors;
4. development of strategic partnership programs with the central government, other local governments, and the private sector to accelerate industrial development; and
5. strengthening data-based monitoring and evaluation systems and evidence-based policy making to ensure accountability and effectiveness of policy implementation.

4. CONCLUSION

The implementation of government policies in the implementation of industrial development in Maluku province still faces multidimensional challenges, such as limited infrastructure, weak Cross-Sector Coordination, and regulatory disharmony between levels of government. Although there is a legal framework that regulates industry and regional autonomy, the substance of the policy has not been fully responsive to the needs of the islands. Therefore, the success of implementation is largely determined by the synergy between Central and local governments, strengthening regional institutional capacity, and optimizing the role of bureaucracy as the main implementer of policy. So the central and local governments need to make the development of basic infrastructure such as marine transportation, energy, and telecommunications as a strategic priority in the industrial development plan in the archipelago. Inter-island connectivity is the main foundation in building an efficient and inclusive industrial distribution network, as well as opening wider access for local industry players and the community to participate in regional economic development.

27 Riant Nugroho, Kebijakan Publik: Formulasi, Implementasi, dan Evaluasi (Jakarta: Elex Media Komputindo, 2014), hal. 523-547.

REFERENCES

Arsyad, L. (2010). *Ekonomi pembangunan*. UPP STIM YKPN.

Asshiddiqie, J. (2011, June 15). *Negara kesatuan Republik Indonesia, negara kepulauan yang berciri Nusantara*. Diskusi dengan pimpinan Kementerian Kelautan dan Komisi DPR-RI, Jakarta.

Dahuri, R. (2003). *Paradigma baru pembangunan Indonesia berbasis kelautan*. Institut Pertanian Bogor.

Edwards III, G. C. (1980). *Implementing public policy*. Congressional Quarterly Press.

Harsono, H. (2002). *Implementasi kebijakan dan politik*. PT. Mutiara Sumber Widya.

Hood, C. (1991). A public management for all seasons? *Public Administration, 69*(1), 3–19. https://doi.org/10.1111/j.1467-9299.1991.tb00779.x

Krugman, P. (1991). Increasing returns and economic geography. *Journal of Political Economy, 99*(3), 483–499. https://doi.org/10.1086/261763

Kuncoro, M. (2010). *Ekonomi industri Indonesia: Analisis struktural dan prospek pembangunan ekonomi di era otonomi daerah*. Erlangga.

Kusumaatmadja, M. (1987). *Bunga rampai hukum laut*. Bina Cipta.

Lubis, M. S. (1978). *Asas-asas hukum tata negara*. Alumni.

Manan, B. (2001). *Menyongsong fajar otonomi*. Pusat Studi Hukum Fakultas Hukum UII.

Mazmanian, D. A., & Sabatier, P. A. (1983). *Implementation and public policy*. Scott, Foresman and Company.

Nugroho, R. (2014). *Kebijakan publik: Formulasi, implementasi, dan evaluasi*. Elex Media Komputindo.

Pauli, G. (2010). *The blue economy: 10 years, 100 innovations, 100 million jobs*. Paradigm Publications.

Porter, M. E. (1990). *The competitive advantage of nations*. Free Press.

Pressman, J. L., & Wildavsky, A. (1973). *Implementation: How great expectations in Washington are dashed in Oakland*. University of California Press.

Ripley, R. B., & Franklin, G. A. (1986). *Policy implementation and bureaucracy*. Dorsey Press.

Sjafrizal. (2014). *Ekonomi regional: Teori dan aplikasi*. Rajawali Pers.

Soemarwoto, O. (2004). *Ekologi, lingkungan hidup dan pembangunan*. Djambatan.

Stefanus, K. Y. (2011). Daerah kepulauan sebagai satuan pemerintahan daerah yang bersifat khusus. *Jurnal Dinamika Hukum, 11*(1), 1–15. https://doi.org/10.20884/jdh.2011.11.1.XXXX

Tjilen, A. P. (2019). *Konsep, teori dan teknik analisis implementasi kebijakan publik*. Nusamedia.

Todaro, M. P., & Smith, S. C. (2015). *Economic development* (12th ed.). Pearson.

Van Meter, D. S., & Van Horn, C. E. (1975). The policy implementation process: A conceptual framework. *Administration & Society, 6*(4), 445–488. https://doi.org/10.1177/009539977500600404