

## Model of Trade Institutional Arrangements for Leading Commodities in Desa Mandiri Anggur Merah Business Groups in Belu Regency, East Nusa Tenggara Province

Yolanda O.M. Widyasari<sup>1\*</sup>, Theresia Fouk Leu<sup>2</sup>, Thomas Ola Langoday<sup>3</sup>  
School of Economics Oemathonis Kupang, Indonesia  
**Corresponding Author:** Thomas Ola : [thomasolalangoday01@gmail.com](mailto:thomasolalangoday01@gmail.com)

---

### ARTICLE INFO

*Keywords:* Leading Commodities, Trade Institutions, Location Quotient, Shift-Share, Competitiveness, Desa Mandiri Anggur Merah.

*Received :* 12 January

*Revised :* 23 February

*Accepted:* 20 March

©2026 Widyasari, Leu, Langoday :  
This is an open-access article distributed under the terms of the [Creative Commons Atribusi 4.0 Internasional](https://creativecommons.org/licenses/by/4.0/).



### ABSTRACT

This study aims to examine leading commodities and to formulate a trade institutional model for business groups under the *Desa Mandiri Anggur Merah* Program in Belu Regency, East Nusa Tenggara Province. The research was conducted in 11 villages that have received grant funding since 2011. A mixed descriptive approach—both quantitative and qualitative—was employed using the Location Quotient (LQ) and the modified Esteban-Marquillas Shift-Share analysis. The findings indicate that agriculture, particularly the food crops and livestock subsectors, constitutes the economic base sector in Belu Regency. However, the competitiveness of commodities produced by village business groups remains relatively low. The current trade institutional model remains largely traditional, relying primarily on local markets and intermediary traders. The limited development of processing industries and integrated marketing institutions has constrained value addition and product competitiveness. This study recommends strengthening institutional models through service cooperatives, producer cooperatives, and the development of processing industry clusters to enhance bargaining power and expand market access, including cross-border trade opportunities with Timor-Leste. Integrating leading commodity identification with strengthened trade institutions is a key strategy for promoting village economic independence and enhancing competitiveness in border regions.

---

## INTRODUCTION

### Research Background

East Nusa Tenggara (NTT) Province ranks as the sixth poorest province in Indonesia, with a poverty rate of 18.60%, following five provinces in Papua (BPS NTT, 2025). Major structural challenges faced by farmers, livestock breeders, fishers, and micro, small, and medium enterprises include limited market access, low value-added of local commodities, and weak economic institutions at the village level. These challenges continue to hinder local economic growth (Bappenas, 2011).

Belu Regency, a border region directly adjacent to Timor-Leste, faces similar conditions. Despite its considerable local resource potential, these resources have not yet been optimally integrated into regional trade institutional systems (Arifin, 2010).

In response, the Provincial Government of NTT launched the *Desa Mandiri Anggur Merah* Program to promote village economic independence through empowering business groups based on local potential (Bappeda NTT, 2013). The program positions village business groups as the driving force of rural economic development, focusing on leading commodities expected to create employment, raise community income, and strengthen the local economic structure (Uphoff, 1986; Bebbington et al., 2018).

However, the success of leading commodity development depends not only on production strength but also on the presence of effective trade institutions capable of connecting village products to broader markets. Without an appropriate institutional trade model—including market access, value chain integration, and structured marketing systems—leading commodities risk remaining confined to local markets with limited competitiveness (Porter, 2008; Kotler & Keller, 2016).

Therefore, an empirical study is needed not only to quantitatively identify leading commodities but also to formulate a contextual and applicable trade institutional model.

### Previous Studies

Various studies highlight that identifying regional leading commodities is a crucial first step in area-based economic development planning (Nazara, 2010; Richardson, 1978). The Location Quotient (LQ) method is commonly used to measure sectoral specialization relative to a broader reference region, while Shift-Share analysis assesses growth dynamics and relative competitiveness over time (Sutikno & Suliswanto, 2015).

Research confirms that sectors with LQ values greater than one are considered base sectors capable of stimulating local economic growth (Bappenas, 2011). Meanwhile, Shift-Share analysis breaks down commodity growth into national growth effects, industry mix effects, and regional competitive advantages (Dunn, 1960; Bendavid-Val, 1991).

In Belu Regency, LQ and Shift-Share analyses have identified patchouli and essential oil industries as leading products, following the decline of sandalwood production due to resource depletion (Langoday, 2011).

However, most existing studies focus on identifying leading commodities at the district or provincial level using macro-sectoral units of analysis. Research linking leading commodity identification to trade institutions at the village business group level remains limited. Furthermore, the institutional dimension of business groups as key actors in local commodity trade is often overlooked (North, 1990; Rauf et al., 2019).

### **Research Gap**

Based on the literature review, several research gaps are identified:

**Limited Integration of Operational Strategies:** Many studies stop at identifying potential sectors without developing operational and contextual trade strategies for village-level business actors (Kotler & Keller, 2016).

**Lack of Integrated Methodological Approaches:** Few studies combine quantitative regional economic tools (LQ and Shift-Share) with institutional analysis of village business groups, particularly within community-based development programs such as *Desa Mandiri Anggur Merah* (Nazara, 2010; Uphoff, 1986).

**Neglect of Border Region Specificity:** Trade challenges in border regions such as Belu Regency differ significantly from non-border areas, yet this dimension is rarely explored (Arifin, 2010; World Bank, 2009).

### **Research Novelty**

The novelty of this research lies in integrating leading commodity analysis using Location Quotient (LQ) and Shift-Share with the formulation of a trade institutional model specifically designed for village business groups. This study goes beyond identifying leading commodities by directly linking them to institutional trade development that considers group capacity, local market dynamics, and border region characteristics (Porter, 2008; Ledgerwood, 2013). Additionally, this study provides empirical insight into how village-based business group development programs can be optimized through strategic trade institutional strengthening. Thus, leading commodities are positioned not only as production potential but also as instruments for enhancing competitiveness and village economic independence (Bebbington et al., 2018; Rauf et al., 2019).

## **THEORETICAL REVIEW**

### **Leading Commodities in Regional Economic Development**

Leading commodities refer to products or economic sectors that possess strong development potential due to their relative advantages compared to other regions, whether in terms of resources, value added, or market competitiveness. Quantitative identification of leading commodities is generally conducted using the Location Quotient (LQ) and Shift-Share Analysis, which measure sectoral specialization and relative competitive strength (Richardson, 1978; Nazara, 2010). According to Bappenas (2011), regional leading commodities play a strategic role in strengthening the local economic base and should be directed toward sectors that generate multiplier effects in employment creation and income growth.

When properly managed, leading commodities can become key drivers of regional development based on local potential. As stated, *“Leading commodities are local products that possess comparative and competitive advantages to be promoted as the main drivers of regional development”* (Bappenas, 2011).

### **Commodity Trade Strategy**

Trade strategy in the development of leading commodities involves expanding market access, improving bargaining positions, and enhancing value chain efficiency. Kotler and Keller (2016) explain that trade strategy includes selecting distribution channels, pricing strategies, product promotion, and strengthening local trade institutions. These strategies must be adapted to product characteristics, business actors, and target markets.

Porter (2008) emphasizes that competitiveness stems from product differentiation and innovative marketing strategies rather than merely mass production. In rural contexts, trade strategies must consider infrastructure limitations, institutional capacity, and connectivity with regional markets. As Porter notes, *“Trade strategy must go beyond production efficiency; it must incorporate market access, product positioning, and institutional strengthening”* (Porter, 2008).

### **Institutional Framework of Village Business Groups**

Institutions play a crucial role in supporting microenterprises and village business groups. North (1990) defines institutions as formal and informal rules that shape economic interactions, including governance mechanisms, social norms, and participatory processes.

In managing leading commodities, institutions ensure production sustainability, financial accountability, and access to markets and financing. Studies by Uphoff (1986) and Rauf et al. (2019) demonstrate that business group success depends heavily on leadership quality, member participation, and fair incentive systems. *“Effective institutional arrangements are essential to the success of community-based enterprise models”* (Uphoff, 1986; Rauf et al., 2019).

### **Border Area Development and Market Access**

Belu Regency, as a border region, faces distinct development challenges such as limited infrastructure, market isolation, and weak integration into regional trade networks. Arifin (2010) argues that border development strategies should prioritize cross-border physical and economic connectivity while strengthening local economic capacity.

Market access in border regions requires cross-sectoral and cross-regional approaches. The World Bank (2009) notes that access to domestic and regional markets is a key determinant of SME development in remote and border areas. *“Market access in border regions must be addressed through infrastructure development, institutional reforms, and regional trade linkages”* (World Bank, 2009).

### **Theoretical Integration in the Research Context**

Based on the above theories, trade strategies for leading commodities managed by village business groups should rest on three main pillars:

1. **Identification of leading commodities** using quantitative approaches such as LQ and Shift-Share to determine base sectors.
2. **Formulation of trade strategies** that consider local market characteristics, production capacity, and consumer demand.
3. **Strengthening institutional capacity** of business groups as collective economic actors capable of managing production, distribution, and financing efficiently and participatively.

This integrative approach is expected to bridge the gap between production potential and the effective commercialization of village leading commodities, particularly in border regions such as Belu Regency.

## RESEARCH METHODS

### Research Location and Target

The research was conducted in Business Groups under the *Desa Mandiri Anggur Merah* Program in Belu Regency, East Nusa Tenggara Province. The study targeted business groups established in 2011.

Eleven villages across eleven sub-districts were selected, all of which received provincial grant funding under the program. These villages were chosen because they had managed grant funds since 2011, allowing measurable outcomes and observable development results. Villages receiving grants in 2012 and 2013 were excluded as they were still in preparation stages.

### Data Collection

The study focused on seven types of enterprises developed by village groups: Livestock, Agriculture, Savings and Credit Cooperatives, Fisheries, Plantations, Small-Scale Industry, Trade and Services.

Since the program ran from 2011–2013, comparative analysis was conducted to assess product and regional competitiveness. Data were obtained from periodic DEMAM group reports and direct field observations in villages, focusing on productive economic enterprises. Additional data were gathered from government publications and other relevant institutional sources.

### Data Analysis Techniques

This study employed both qualitative descriptive and quantitative analytical approaches. The analyses included:

- Regional characteristics and leading commodity analysis
- Leading product analysis per village
- Trade institutional analysis
- The main analytical tools were:

#### 1. Location Quotient (LQ)

The LQ method determines sectoral specialization and identifies base sectors capable of meeting both local and external demand.

Decision criteria:

- $LQ > 1$ : Base sector with surplus for export
- $LQ = 1$ : Meets local needs only
- $LQ < 1$ : Insufficient; imports required

Advantages include simplicity and ability to account for direct and indirect exports. Limitations include variations in consumption patterns and industrial inputs across regions.

**2. Shift-Share Analysis (Esteban-Marquillas Modification)**

Shift-Share analysis evaluates regional sector performance compared to national growth, decomposing growth into:

- National Growth Effect (N)
- Industry Mix Effect (M)
- Competitive Advantage Effect (C)
- Allocation Effect (A)

The Esteban-Marquillas (1972) modification refines competitive positioning and specialization measurement (Prasetyo Soepono, 1993).

Positive differential shifts indicate competitive advantage.

**Table 1: Analytical Tools, Outputs, Variables, and Indicators**

No	Analytical Tool	Analysis Output	Variable	Indicators
1	Location Quotient (LQ)	Leading Sector / Commodity	GRDP	<ul style="list-style-type: none"> <li>• Total GRDP at constant prices for the analysis area and comparison area (Sub-district, Regency, and Province).</li> <li>• GRDP at constant prices by economic sector for the analysis area and comparison area (Sub-district, Regency, and Province).</li> </ul>
2	Shift-Share Analysis	Leading sector with competitive advantage and specialization	GRDP	<ul style="list-style-type: none"> <li>• Total GRDP at constant prices for the analysis area and comparison area (Sub-district, Regency, and Province).</li> <li>• GRDP at constant prices by economic sector for the analysis area and comparison area (Sub-district, Regency, and Province).</li> </ul>
3	Policy Analysis Matrix (PAM)	Competitive Advantage	<ul style="list-style-type: none"> <li>• Private Profit / market price at business level</li> <li>• Social Profit / shadow price</li> <li>• Profit</li> </ul>	<ul style="list-style-type: none"> <li>• Production quantity per type of DEMAM group enterprise</li> <li>• Product prices per type of DEMAM group enterprise (private price, social price, and policy-induced price)</li> <li>• Input costs per type of DEMAM group enterprise (private price, social price, and</li> </ul>

No	Analytical Tool	Analysis Output	Variable	Indicators
			resulting from policy impacts (input and output)	policy-induced price) • Revenue per type of DEMAM group enterprise (private price, social price, and policy-induced price)
4	Revealed Comparative Advantage (RCA) Analysis	Competitive leading commodity/product	<ul style="list-style-type: none"> <li>• Production of commodities/products from DEMAM group enterprises</li> <li>• Production of commodities/products outside DEMAM group enterprises</li> </ul>	<ul style="list-style-type: none"> <li>• Total production per commodity/product type from DEMAM group enterprises</li> <li>• Total production of the same commodity/product type produced outside DEMAM group enterprises</li> </ul>

## RESEARCH FINDINGS AND DISCUSSION

### Analysis of Leading Commodities in Belu Regency

The results of the Location Quotient (LQ) analysis for 2010–2011 show that the base sector in Belu Regency is the agricultural sector, supported primarily by the food crops and livestock subsectors. Other agricultural subsectors have not yet demonstrated strong potential to be categorized as leading sectors.

**Table 2. Sectoral/Subsectoral Location Quotient (LQ) Coefficients of Belu Regency, 2010–2011**

No.	Sector	Subsector	Location Quotien	
			2010	2011
1	Agriculture		1.31911	1.300047023
		Food Crop Agriculture	1.80268	1.745290871
		Plantation Crops	0.37797	0.378458344
		Livestock	1.19881	1.254644063
		Forestry	0.02368	0.230445904
		Fisheries	0.41248	0.412311194
2	Mining and Quarrying	Mining and Quarrying	0.63374	0.618640005

No.	Sector	Subsector	Location Quotien	
			2010	2011
3	Manufacturing Industry	Manufacturing Industry	0.56268	0.559644632
4	Electricity, Gas, and Water Supply		0.38538	0.364332169
		Electricity	0.43182	0.402186946
		Water Supply	0.2392	0.236625702
5	Construction	Construction		
6	Trade, Hotels, and Restaurants		0.64584	0.687396051
		Wholesale and Retail Trade	0.73024	0.784593385
		Hotels	0.73511	0.791282294
		Restaurants	0.16394	0.160252271
7	Transportation and Communication		0.86907	0.850253473
		Transportation	0.78808	0.781554329
		Road Transportation	0.9136	0.91108959
		Ferry Transportation (ASDP)	1.17582	1.184944634
		Sea Transportation	0.40852	0.395535969
		Air Transportation	0.07575	0.068695908
		Supporting Transportation Services	0.61884	0.627021967
		Communication	0.35106	0.346381962
8	Finance, Leasing, and Business Services		0.96388	0.966449116
		Banking	1.2254	1.234604466
		Non-Bank Financial Institutions	0.67086	0.627274675
		Building Rental	0.80164	0.816162068
		Business Services	0.27772	0.276766345
9	Services		0.91551	0.927188864
		General Government Services	0.8974	0.914453125
		Social Services	0.96775	0.965858825
		Private	0.90672	0.898349985
		Entertainment and Recreation	1.56655	1.515536196
		Personal and Household Services	2.67013	2.745409907

Source: Processed Secondary Data, 2013.

Field findings are consistent with the LQ analysis, indicating that sectors with  $LQ > 1$ —namely agriculture (food crops and livestock)—should be prioritized in regional economic development efforts. The financial sector, including banking and non-bank financial institutions such as savings and credit cooperatives, also shows potential. Additionally, certain service sectors, particularly recreation and personal services, contribute meaningfully to regional growth.

The Shift-Share analysis with the Esteban-Marquillas modification further indicates that agriculture is a specialization sector in Belu Regency. However, despite this specialization, agriculture still exhibits relatively low competitive advantage. Meanwhile, the construction and trade sectors, although not specialization sectors, demonstrate competitive advantages.

**Table 3. Results of the Modified Esteban-Marquillas Shift Share Analysis, North Central Timor Regency, 2010–2011**

<b>N0</b>	<b>Economic Sectors</b>	<b>Specialization</b>	<b>Competitive</b>	<b>Location Effect</b>
1	Agriculture	12,217,654.48	-0.03	Specialization but not Competitive Advantage
2	Mining	-504,529.27	-0.04	No Specialization and No Competitive Advantage
3	Industry	-649,716.17	-0.02	No Specialization and No Competitive Advantage
4	Electricity	-265,453.55	-0.08	No Specialization and No Competitive Advantage
5	Building	-13,255,107.25	0.73	No Specialization but Competitive Advantage
6	Trading	-4,677,056.25	0.06	No Specialization but Competitive Advantage
7	Transportation	-1,607,887.96	-0.03	No Specialization and No Competitive Advantage
8	Finance	-138,102.46	-0.01	No Specialization and No Competitive Advantage
9	Services	-2,136,113.07	0	No Specialization and No Competitive Advantage

Source: Processed Secondary Data, 2013.

For village business groups under the *Desa Mandiri Anggur Merah* Program, the agricultural sector—particularly food crops and livestock—should be strengthened to improve competitiveness. Growth trends are supportive, yet constraints remain in pricing, packaging, technology adoption, and trade systems. Improvements in these areas are necessary to compete with similar products from other districts and from Timor-Leste.

### **Competitiveness Analysis of Leading Commodities in Village Business Groups**

The objectives of the *Desa Mandiri Anggur Merah* Program (2011–2013) were:

1. Reducing poverty through productive economic enterprises aligned with village comparative and competitive advantages.
2. Empowering rural institutions to support regional development agendas.
3. Creating new entrepreneurs capable of generating employment and improving labor productivity.

Since 2011, seven types of enterprises have been developed:

1. Livestock
2. Agriculture
3. Savings and Credit Cooperatives
4. Fisheries
5. Plantations
6. Small-Scale Industry
7. Trade and Services

However, findings indicate that only five of these show sustainable growth potential and possible competitive advantage:

1. Livestock
2. Food crop agriculture
3. Savings and credit cooperatives
4. Small-scale industry
5. Trade and services

### **CONCEPT OF LEADING COMMODITY DEVELOPMENT**

Referring to Porter (1998), competitiveness is defined as a nation's ability to create sustainable added value through its enterprises while maintaining high living standards. Regional competitiveness begins with product competitiveness. To achieve a competitive region, three cluster formations are required:

1. **Leading Commodity Cluster**
2. **Leading Enterprise Cluster**
3. **Leading Industry Cluster**

Currently, informal commodity clusters exist within village business groups. However, formal enterprise clusters have not yet been established. Collaboration among business actors, academia, government, and society (the BAGS model) is necessary.

A region that produces only primary commodities captures limited value added. Therefore, developing processing industry clusters is essential for achieving high regional competitiveness (Langoday, 2011). A competitive product must meet three criteria:

1. Superior in quantity
2. Superior in quality
3. Sustainable over time

### **Quantity**

Production levels remain relatively small due to limited grant funding distributed among numerous groups. Most villages consist of 8–20 groups, each with 6–10 members, resulting in small-scale production.

### **Quality**

Products are generally produced manually without appropriate technology, limiting quality standards and efficiency.

### **Sustainability**

Seasonal dependence and geographic dispersion across islands constrain consistent supply. Langoday (2011) identifies three competitiveness indicators:

1. Attractiveness
2. Durability
3. Competitiveness

Appropriate technology enhances packaging, product durability, taste consistency, volume availability, pricing competitiveness, and customer service.

### **Trade Strategy for Leading Commodities**

Many companies are capable of producing high-quality products; however, it is not uncommon for these products to fail in the marketplace due to an inability to compete effectively. This means that even a superior and high-quality product does not automatically guarantee market success if it is not supported by other complementary activities. According to Harahap (2007), a product cannot successfully “market” itself or withstand intense competition without being supported by an effective trade strategy that enhances its competitiveness in the eyes of consumers. A sound trade strategy must therefore be supported by various complementary elements in order to strengthen product competitiveness.

According to Anoraga (1997:230–231), a trade strategy is defined as “a directed plan in the field of trade aimed at achieving optimal results.” Meanwhile, Stanton, as cited in Saputro (2011), defines trade as a comprehensive system of business activities designed to plan, determine prices, promote, and distribute goods and services in order to satisfy the needs of both existing and potential buyers.

Based on these definitions, a trade strategy constitutes an integrated plan of activities implemented through trade programs, including product, price, distribution channels, and promotion. After conducting market analysis to identify market needs and preferences, companies proceed with product development to meet consumer demands. The next steps involve making pricing decisions, selecting appropriate distribution channels, and carrying out promotional activities to introduce and market products to consumers.

Trade activities conducted by rural communities remain largely traditional. Although they are able to produce quality products, they often lack the capacity to market them effectively. In rural areas, most farmers are still consumer farmers, while only a small proportion are producer farmers. Consumer farmers cultivate crops primarily to meet their household needs throughout the year. In contrast, producer farmers grow agricultural products for sale, either to intermediary traders or to industrial companies that process raw materials into finished goods.

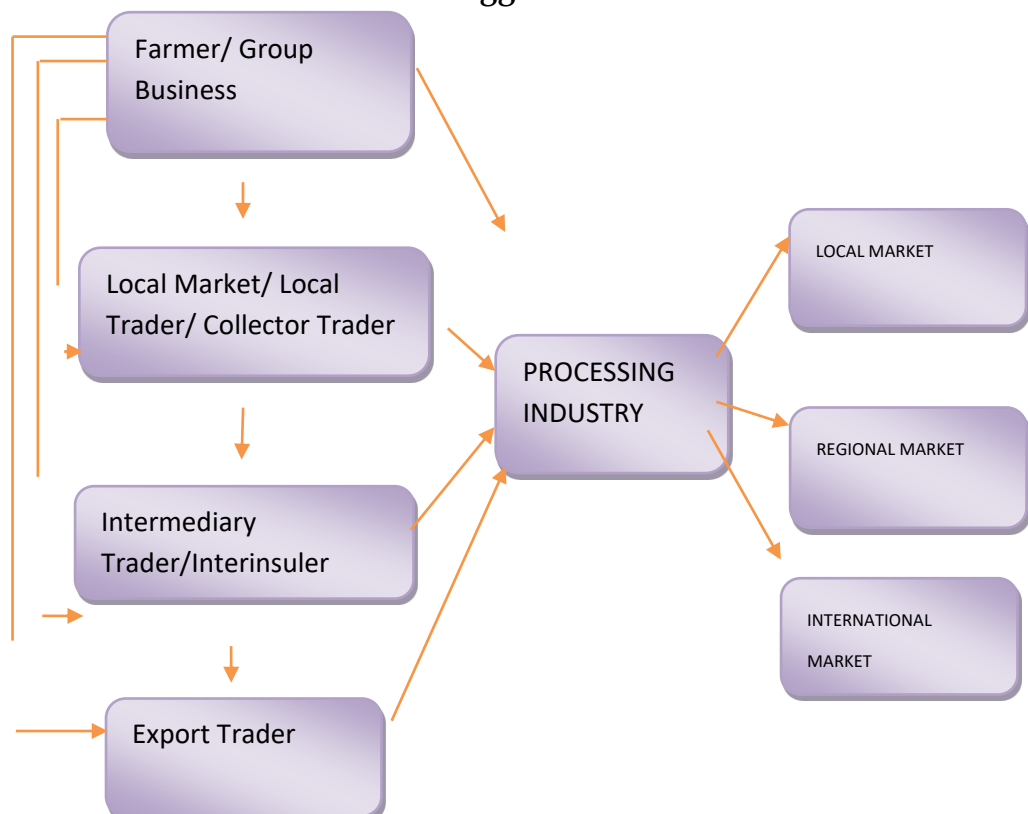
To date, rural communities—including newly formed business groups—have generally not maintained proper records of expenditures, particularly production costs. As a result, they are unable to determine accurate and profitable selling prices.

Business actors typically sell their agricultural products directly in local markets to local traders, collectors, or industrial firms at relatively low prices. These local traders and collectors then resell the products to inter-island traders or exporters at significantly higher prices. Only a small number of farmers sell directly to inter-island traders or exporters. The long trade chain places farmers in a weak bargaining position, forcing them to sell at low prices to meet household needs.

Some farmers have begun processing their agricultural products; however, such efforts remain limited to small-scale household industries that serve only local markets and have not yet reached inter-island or export markets.

Based on the above description, a distribution channel framework for agricultural products produced by village business groups can be developed as follows:

**Figure 1. Institutional Distribution Channel of Agricultural Products in Desa Mandiri Anggur Merah**



## **Trade Development Strategy for Livestock and Food Crops Pricing**

Business groups need to implement simple accounting practices, namely recording all expenditures, particularly costs related to purchasing seeds, fertilizers, livestock feed, medicines, and labor (whether the farmers themselves, family members who work, or hired workers).

Based on these recorded costs, farmers can calculate the price of their agricultural products by adding a profit margin to their production costs. In this way, farmers will be able to determine and set selling prices for livestock products, plantation products, food crops, and marine products in a fair, competitive, and profitable manner.

### **Institutional Model**

To ensure that leading products achieve high competitiveness in local, regional, national, and international markets, similar business groups can collaborate through an institutional model.

In accordance with Law No. 17 of 2012 on Cooperatives, cooperatives are classified into four types based on shared business activities and/or members' economic interests:

1. Consumer Cooperatives
2. Producer Cooperatives
3. Service Cooperatives
4. Savings and Credit Cooperatives

Based on these four types, business groups may establish institutional models such as:

1. Collection and Marketing Service Cooperatives
2. Producer Cooperatives
3. Processing Companies

These initiatives would require support from the Provincial Government of NTT and the Belu Regency Government in terms of guidance and facility assistance.

### **Collection and Marketing Service Cooperative Institution**

Similar business groups can pool their production outputs through a jointly established Service Cooperative. The cooperative can then sell the products to processing industries or collaborate with the government to conduct inter-island trade or export directly to regional and international markets.

Through this Service Cooperative, agricultural products from business groups can gain stronger bargaining power and improved competitiveness in setting more profitable selling prices. This would help achieve the development goals of *Desa/Kelurahan Mandiri Anggur Merah* in NTT Province. In addition, it would support the NTT Government's program to position NTT as a Cooperative Province.

### **Producer Cooperative Institution**

Similar to the Service Cooperative model, business groups may establish a Producer Cooperative to process agricultural raw materials into finished products. These higher-value and more competitive products can then be sold to

inter-island traders or exported directly to regional and international markets. This model also contributes to cost efficiency.

### Processing Industry Institution

Each business group may independently process its agricultural outputs into higher-value and more competitive finished products. These products can then be sold to inter-island traders or exported directly to regional and international markets.

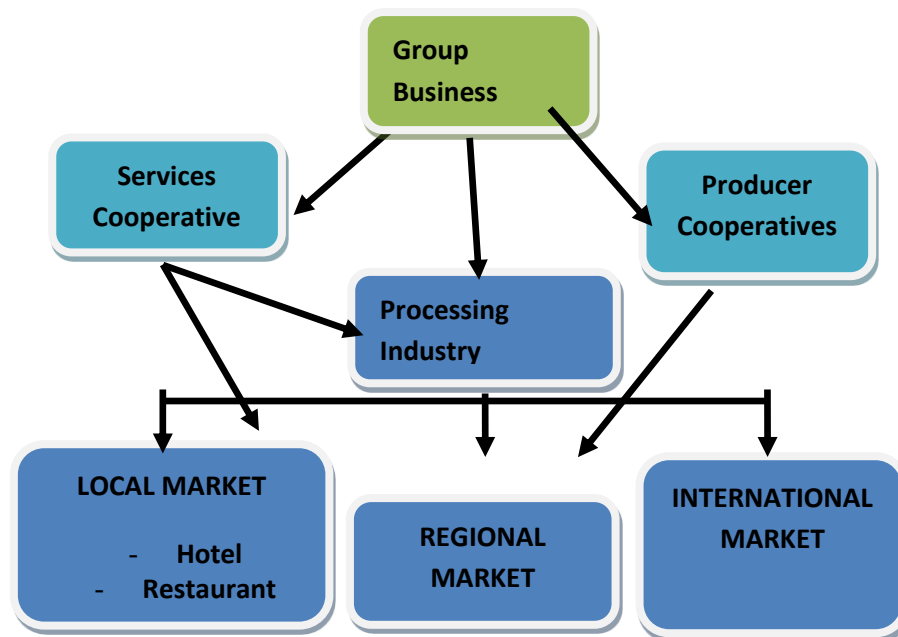
### Promotion Institution

Business groups may conduct direct promotional activities through sales promotions and personal selling to processing industries, hotels, restaurants, and food establishments in local markets.

An example of a processing industry in Kupang is CV. Aldia, which produces *Se'i* (smoked beef), a well-known product that is marketed in several cities across Indonesia. Sales arrangements of this kind, particularly in terms of selling price, would be more beneficial for business groups.

Based on the explanation above, a distribution and promotion/sales strategy scheme can be developed to enable business groups to compete effectively in local, regional, and even international markets.

**Figure 2. Institutional Model of Trading Channels for Group Business Products at Desa Mandiri Anggur Merah in Belu District.**



## CONCLUSIONS

1. Of seven business types, five demonstrate growth potential and possible competitive advantage: livestock, food crops, savings and credit cooperatives, small-scale industry, and trade/services.
2. Commodities produced by village business groups generally exhibit low competitiveness.
3. Trade institutions remain traditional, relying on local markets and intermediary traders.

4. Processing industries are largely absent, limiting value addition and competitive strength.

### **Recommendations**

1. Village business groups should prioritize livestock, food crops, and processing industries.
2. Processing industries should focus on meat and food crop products at household, small, medium, and large scales.
3. Formal cross-border trade channels with Timor-Leste should be developed.
4. Strong synergy among government, business actors, investors, and academia is essential for sustainable leading commodity development.

### **REFERENCES**

- Agustian, A., Supena, F., Syahyuti, & Ariningsih, E.** (2003). *Studi baseline Program PHT Perkebunan Rakyat Lada di Bangka Belitung dan Lampung* (Laporan penelitian). Pusat Penelitian dan Pengembangan Sosial Ekonomi Pertanian, Bogor.
- Amien, M.** (2005). *Kemandirian Lokal*. Gramedia Pustaka Utama.
- Anoraga.** (1997). [Rujukan definisi strategi perdagangan]. (Dikutip dalam kutaucomp.blogdetik.com; detail publikasi tidak dicantumkan dalam naskah).
- Arsyad, L.** (1999). *Ekonomi Pembangunan*. Sekolah Tinggi Ilmu Ekonomi, Yayasan Keluarga Pahlawan Negara.
- Arsyad, L.** (1999). *Pengantar Perencanaan dan Pembangunan Ekonomi Daerah*. BPFE.
- Ashby.** (1964). [Rujukan shift-share]. (Tidak dicantumkan detail bibliografi dalam naskah).
- Basri, F. H.** (2005). *Tantangan dan Peluang Otonomi Daerah*. Universitas Brawijaya.
- Bendavid-Val.** (1983). [Rujukan shift-share]. (Tidak dicantumkan detail bibliografi dalam naskah).
- Buchari, A.** (2000). *Kewirausahaan*. Alfabeta.
- Creamer, D. B.** (1943). [Rujukan awal shift-share]. (Tidak dicantumkan detail bibliografi dalam naskah).
- Dimiyati, A.** (2007). *Pembinaan Petani dan Kelembagaan Petani*. Balitjeruk Online, Balai Penelitian Tanaman Jeruk dan Buah Subtropika Tlekung-Batu, Jawa Timur.

- Dobson, P., Starkey, K., & Richards, J.** (2004). *Strategic Management: Issues and Cases*. Blackwell Publishing.
- Elizabeth, R.** (2007a). *Penguatan dan Pemberdayaan Kelembagaan Petani Mendukung Pengembangan Agribisnis Kedelai*. Pusat Analisis Sosial Ekonomi dan Kebijakan Pertanian, Bogor.
- Elizabeth, R.** (2007b). *Restrukturisasi Pemberdayaan Kelembagaan Pangan Mendukung Perekonomian Rakyat di Pedesaan dan Ketahanan Pangan Berkelanjutan* (Makalah Simposium Tanaman Pangan V, 29 Agustus 2007). Puslitbangtan Pertanian, Bogor.
- Ens-Fitz Jac-Davison, B.** (2011). *How to Measure Human Resources Management*. Kencana Prenada Media Group.
- Esteban-Marquillas.** (1972). [Modifikasi shift-share]. (Tidak dicantumkan detail bibliografi dalam naskah).
- Galib, R.** (2005). *Ekonomi Regional*. Pustaka Ramadhan.
- Glasson, J.** (1977). *Pengantar Perencanaan Regional* (P. Sitohang, Penerj.). Lembaga Penerbit Fakultas Ekonomi Universitas Indonesia.
- Glueck, W. F., & Jauch, L. R.** (1994). *Manajemen Strategis dan Kebijakan Perusahaan*. Erlangga.
- Harahap.** (2007). Strategi peningkatan daya saing produk. *mora-harahap.blog.co.uk*.
- Hariadi, B.** (2003). *Strategi Manajemen*. Bayumedia.
- Hoover.** (1984). [Rujukan shift-share]. (Tidak dicantumkan detail bibliografi dalam naskah).
- Kasali, R.** (2010). *Wirausaha Muda Mandiri*. PT Gramedia Pustaka Utama.
- Kuncoro, M.** (2002). *Analisis Spasial dan Regional*. UPP AMP YKPN.
- Langoday, T. O.** (2011). Core competency study of Belu Regency, East Nusa Tenggara Province. *Journal of Indonesian Applied Economics*, 5(1), 1-15.
- Payne, M.** (1997). *Modern Social Work Theory* (2nd ed.). McMillan Press Ltd.
- Porter, M. E.** (1985). *Competitive Advantage: Creating and Sustaining Superior Performance*. Free Press.

- Porter, M. E.** (1998). [Rujukan konsep daya saing]. (Tahun/edisi dirujuk dalam naskah; detail bibliografi tidak dicantumkan).
- Purwanto, Syukur, M., & Santoso, P.** (2007). *Penguatan Kelembagaan Kelompok Tani dalam Mendukung Pembangunan Pertanian di Jawa Timur*. Balai Pengkajian Teknologi Pertanian, Malang.
- Richardson, H. W.** (1991). *Dasar-Dasar Ilmu Ekonomi Regional* (P. Sitohang, Penerj.). Lembaga Penerbit Fakultas Ekonomi Universitas Indonesia.
- Robbins, S.** (1996). *Perilaku Organisasi*. PT Prenhallindo.
- Samuelson, P. A., & Nordhaus, W. D.** (2001). *Economics*. McGraw-Hill.
- Saptana, Pranadji, Syahyuti, & Roosganda, E. M.** (2003). *Transformasi Kelembagaan untuk Mendukung Ekonomi Kerakyatan di Pedesaan* (Laporan penelitian). PSE, Bogor.
- Saputro, N.** (2011). *Efektivitas Strategi Perdagangan Produk BMT Jogjatama dalam Meningkatkan Keunggulan Kompetitif*. Program Studi Sistem Informasi, STIMIK AMIKOM Yogyakarta.
- Sedarmayanti.** (2001). *Sumber Daya Manusia dan Produktivitas Kerja*. CV Mandar Maju.
- Sjafrizal.** (2008). *Ekonomi Regional: Teori dan Aplikasi*. Baduouse Media.
- Soepono, P.** (1993). Analisis shift-share: Perkembangan dan penerapannya. *Jurnal Ekonomi dan Bisnis Indonesia*.
- Soepono, P.** (2001). Teori pertumbuhan berbasis ekonomi (ekspor): Posisi dan sumbangannya bagi perbendaharaan alat-alat analisis regional. *Jurnal Ekonomi dan Bisnis Indonesia*, 16(1).
- Stanton.** (tanpa tahun). [Rujukan definisi pemasaran]. (Dikutip dalam Saputro, 2011; detail bibliografi tidak dicantumkan dalam naskah).
- Suwatno, & Priansa, J.** (2011). *Manajemen SDM*. Alfabeta.
- Syahyuti.** (2003). *Bedah Konsep Kelembagaan: Strategi Pengembangan dan Penerapannya dalam Penelitian Pertanian*. Pusat Penelitian dan Pengembangan Sosial Ekonomi Pertanian, Bogor.
- Syahyuti.** (2007). *Strategi dan Tantangan dalam Pengembangan Gabungan Kelompok tani (GAPOKTAN) sebagai Kelembagaan Ekonomi di Pedesaan*. Pusat Analisis Sosial Ekonomi dan Kebijakan Pertanian, Bogor.

**Tarigan, R.** (2005). *Ekonomi Regional: Teori dan Aplikasi*. Bumi Aksara.

**Taylor, D. R. F., & McKenzie.** (1992). *Development from Within*. Routledge.

**Thomson, A. M., & Perry, J. L.** (2006). Collaboration processes: Inside the black box. *Public Administration Review*, 66, 20–32.

**Uphoff, N.** (1992). *Local Institution and Participation for Sustainable Development*. IIED.

**Zuraida, D., & Rizal, J. (Eds.)**. (1993). *Masyarakat dan Manusia dalam Pembangunan: Pokok-Pokok Pemikiran Selo Soemardjan*. Pustaka Sinar Harapan.