

LOGICAL CONSISTENCY AND TOBACCO ECONOMIC DEVELOPMENT IN GRESIK REGENCY

Ciplis Gema Qori'ah¹, Yulia Indrawati², and Gigih Pratomo³

Abstract

Tobacco has a different potential in economic development efforts in an area. This justification is based on the tobacco plant is one that has economic value added [4]. Therefore we need a logical strategy in creating a positive impact on regional economic development. This study aims to formulate a strategy in economic development efforts of tobacco in Gresik Regency. This study uses primary and secondary data. The analytical method used is descriptive analysis and Analytic Hierarchy Process (AHP). The results suggest that institutional and regulatory factors is a key strategy in the economic development of tobacco in Gresik Regency. The contribution of tobacco to the economy will provide a logical consistency in the development and cultivation of tobacco in the future.

Keywords: *logical; strategy; development; economics; tobacco.*

Introduction

Justification for using of tobacco economic is a discourse in cultivation of tobacco as an advocate for the economy of a region [8]. This is demonstrated by the contribution in the realm of tobacco farmers' income, excise tax, employment, exports and imports amount and intensity of inter-regional trade in tobacco [4]. On the other hand, tobacco is one of the agricultural commodities that have strategic value of both the economic and social aspects [5]. In economic aspects of tobacco as a source of revenue through the acquisition of foreign exchange and customs, as well as a source of income for the community. While the social aspects of tobacco plants able to absorb the labor force large enough to support the welfare society. This condition provides a review of a current phenomenon that economic relations between the agricultural and industrial sectors. Tobacco not only becomes one of the agricultural commodities but also in the industrial sector, especially the cigarettes industry. Tobacco in this case has a high economic value when used optimally that will cause a multiplier effect on other sectors of the economy [4]. Among the inter- sector

¹ Department of Economics, Faculty of Economics, Jember University, Indonesia, Email: ciplis_ghoriah@yahoo.com

² Department of Economics, Faculty of Economics, Jember University, Indonesia, Email: y_indrawati02@yahoo.com

³ Department of Research, Economics and Law Reform Institute (ECOLARI), Gresik, Indonesia, Email: gigih.pratomo@gmail.com