

LEADING SECTOR OPTIMIZATION IN THE DEVELOPMENT OF URBAN CITY

Septina

Paramadina University, Banten
septina1911@gmail.com

ABSTRACT

Economic growth is a process of how an economy develops or changes from time to time over a long period of time and there is a possibility of a decline or increase in the economy. The economic growth of a region is reflected in the Growth of Gross Domestic Product (PDRB). The economic growth of a region depends on the region's ability to develop the potential of its leading economic sectors. With such a superior economy, regions are also required to make efforts to optimize the use of inputs and improve processes so that superior economies can be optimally utilized so that they can meet the needs of the community which in turn will create community welfare. The results of research using the *Location Quotient* (LQ) show that the economic sectors which are the leading sectors in South Tangerang City based on the best are the Financial, Leasing and Corporate Services Sector; Services Sector; Building Sector; Transportation and Communication Sector; Trade, Hotel and Restaurant Sector; Electricity, Gas and Clean Water Sector. Based on the analysis, *Shift Share* (SS) the leading sectors that are experiencing rapid growth are the trade, hotel and restaurant sectors ($P_{ij} > 0$). However, the trade, hotel and restaurant sector is not.

Keywords: Regional Development, Leading Sectors

INTRODUCTION

Indonesia is a country that has very diverse physical and geographical conditions, so regional development is very important in national development. Economic growth is a process of how an economy develops or changes from time to time, over a long period of time, and in which there is a possibility of a decline or increase in the economy. Economic growth can also be defined as the process of increasing per capita output in the long run. High and sustainable economic growth is the main condition necessary for the continuity of economic development and increasing welfare.

Apart from growth, the process of economic development by itself will also bring about fundamental changes in the economic structure. Economic development is usually accompanied by a shift in the economic structure from the primary sector (agriculture and mining) to the secondary sector (processing industry; electricity, gas and water supply and construction) and the tertiary sector (trade, hotels and restaurants; transportation and services).

One of the main indicators to see / measure the success or failure of a development process is to what extent or to what degree the community's needs can be met, either directly or indirectly. It can be seen directly from how the community can enjoy the results of development easily such as electricity, clean water, fuel, transportation / transportation facilities and infrastructure and so on.

In this case, the agricultural sector should be able to be developed into a mainstay sector and as an engine of driving the national economy. It can be seen that the vision of agricultural development is modern, resilient and efficient agriculture. Part of the subject of development is to increase the income and welfare of the community and support the democratic process in agricultural development. In the context of urban agricultural development, it is necessary to identify the potentials that can be developed in urban agricultural product business.

The influence of the economic sector on a national basis, does not necessarily affect the performance of the same economic sector in other regions. Therefore, a study is needed to identify and identify economic sectors that are the leading sectors in a region (in this case, South Tangerang City) because the existence of leading economic sectors can generate real sector performance which will have an impact on regional economic growth. the.

THEORETIC

Regional Development Planning

Regional development planning is connoted with the location of a development activity or economic activities such as industry or factories, companies and service facilities, thus the selection or location determination will affect the continuity of these activities. (Adisamita, 2008: 1). The definition of regional development planning can be seen from the elements that make it up. As is well known, regional development planning is a system formed from planning, development and regional elements. By looking at the divergence of each of these elements, a convergence of conclusions will be drawn, a complete understanding will be formed.

Urban Spatial Planning

The concept of development for economic growth, sustainable development is closely related to spatial planning or spatial planning activities. Spatial planning

discipline can be interpreted as an effort to optimize the use of regional space in the form of a regional spatial arrangement. The definition of space is a container which includes land space, ocean space and air space as a unitary area, where humans and other living things live and carry out activities and maintain their survival (Karoma, 2010: 19).

The Concept of Leading Sectors Basic

Economic theory can be used to determine the difference between the potential of a region and another and to find out the relationship between sectors in an economy. The economic base theory bases its view that the economic growth rate of a region is determined by the size of exports from the region (Richardson, 1977: 53).

Leading

Sectors, one of which is influenced by the existence of *endowment factors*. Furthermore, this factor develops further through investment activities and becomes the basis of economic activity. With the existence of a leading sector, it will make it easier for the government to allocate the right funds so that economic progress will be achieved.

Economic Growth

Economic growth is the process of increasing the production capacity of an economy which is manifested in the form of an increase in national income. A country is said to experience economic growth if there is a process of increasing per capita output in the long run. Their economic growth is an indication of the success of economic development. Economic development by itself will also bring about fundamental changes in the structure of the economy.

Methods of Regional Economic Potential Analysis

A regional planner must have the ability to analyze the economic potential of the region. This is related to the obligation on the one hand to determine the sectors *real* that need to be developed in order for the regional economy to grow rapidly and on the other hand to be able to identify factors that make the potential of a particular sector low and determine whether the priority is to overcome these weaknesses. After regional autonomy, each region has become freer in determining sectors / commodities whose development is prioritized. The ability of local governments to see which sectors have advantages / disadvantages in their region is increasingly important. Sectors that have

superiority have better prospects for development and are expected to encourage other sectors to develop. The analysis used to determine the economic potential of a region is comparative advantage, *Location Quotient* (LQ) and *Analysis Shift-Share* (SS). Tarigan, 2005: 79).

METHOD

The data used in this study are secondary data types. Secondary data is GRDP data of economic sectors according to business fields in South Tangerang City from 2007 to 2008 and GRDP data of economic sectors according to business fields in Banten Province for the period 2007 - 2008. The analysis method uses the techniques Location Quotient and Shift Share.

RESULT

The approach used in this discussion is *Location Quotient* or what is commonly called LQ. Indicators used in the LQ approach This is an indicator of GRDP income, so it can be seen whether a sector is a leading or non-superior sector in terms of generating income for the economy of the South Tangerang City area.

The data used in this analysis is the regional income data (PDRB) of South Tangerang City based on constant prices and Banten Province as a wider area. This data was taken in the 2007-2008 period. The 2007-2008 period was used as the research year because South Tangerang City experienced regional expansion and has experienced growth seen through the sub-district.

Based on the results of calculations using the Location Quotient (LQ) approach, the economic sectors that are included in the leading sectors in the city of South Tangerang are based on the superior ones, 1. The financial sector, leasing and corporate services, 2. The services sector, 3. The building sector, 4 Transportation and communication sector, 5. Trade, hotel and restaurant sector, 6. Electricity, gas and clean water sector.

The percentage of growth in economic sectors in South Tangerang City in the 2007-2008 period shows an increase in the contribution of 7.24 percent (Table 2). In 2007, the real value of PDRB of South Tangerang City at constant 2000 prices was Rp. 4.39 trillion and increased in 2008 to Rp. 4.71 trillion, so that in the 2007-2008 period there was an increase with a growth of around Rp. 317 billion or 7.24 percent.

The lowest percentage growth in the economic sector was the agricultural sector, which grew by -0.25 percent. In 2007 the contribution given to PDRB of South Tangerang City was Rp. 44 billion and decreased in 2008 to Rp 43.8 billion, and a decrease in GRDP of -108.8 billion. In 2008, there was no increase in the contribution of the agricultural sub-sector compared to 2007, all of which decreased, although not significantly, except for the fisheries sub-sector which had a permanent role as in the previous year, namely 0.03 percent. The biggest decline was in the livestock and products sub-sector, whose contribution fell to 0.39 percent. The growth of the agricultural sector in 2008 was (-0.25) percent. All sub-sectors experienced negative growth, only the plantation sub-sector experienced positive growth of 0.24 percent. This has led to the disappearance of the agricultural sector in South Tangerang City for a long time.

In the GRDP growth in Banten Province, which increased by Rp. 3.78 trillion, namely 5.81 percent in the 2007-2008 period. In 2007 the real value of PDRB Banten Province at constant 2000 prices was Rp. 65.04 trillion and increased in 2008 to Rp. 68.83 trillion.

The economic sector with the largest growth rate was the financial, leasing and corporate services sector at 16.45 percent. This sector has a GRDP of Rp. 2.13 trillion in 2007 and increased to Rp. 2.48 trillion in 2008. While the lowest economic growth rate occurred in the agricultural sector, namely 3.17 percent.

Total and Sectoral GRDP Ratio

The highest Ri value was found in the financial, leasing and company services sector, namely 0.16. This is because the growth rate of the financial, leasing and corporate services sector is the largest in Banten Province. Meanwhile, the smallest Ri value is in the agricultural sector, which is 0.03 because of the land convention which is the center of trade, housing and industry.

The real value is obtained from the calculation of the difference between GRDP sector i in South Tangerang City in 2008 and GRDP sector i in South Tangerang City in 2007 divided by PDRB sector i in South Tangerang City in 2007. Based on table 7, all economic sectors in South Tangerang City the contribution increases so that all sectors have a positive ri value. The largest real value is occupied by the trade, hotel and restaurant sector at 0.14 because this sector is increasing rapidly every year and is still

growing and developing until now. Among them, the wholesale and retail trade sub-sectors are the main motors in this sector, causing the emergence of shopping centers on a large and small scale in South Tangerang City.

Analysis of Regional Growth Components

Based on the data, all economic sectors in the City of South Tangerang have increased their contribution with the trade, hotel and restaurant sector as sectors that experienced the largest contribution increase, amounting to Rp. 286.67 billion. Meanwhile, the sector with the lowest increase in contribution was the mining and quarrying sector with a Regional Growth (PR) value of Rp. 267.47 million. Thus, it can be said that the trade, hotel and restaurant sector is a sector that greatly influences the development and development of South Tangerang City as an independent city. From the previous analysis, the trade, hotel and restaurant sector is also a sector that continues to grow and its growth is increasing.

The agricultural sector has a PP value of Rp. -880.02 billion (-2 percent), this is because the South Tangerang City area is not a leading sector for regional development, it can be seen that the narrower agricultural land has been converted into service, settlement and trade areas. The manufacturing sector has a PP value of Rp. -28 billion (-3 percent). This is because the role of South Tangerang City in the industrial sector does not fulfill its capacity as a processing industry, so that the South Tangerang region is only an exporter from other regions. Both non-leading sectors are classified as slow growth sectors ($PP_{ij} < 0$). All leading and non-superior sectors have positive PP values so that these sectors have rapid growth.

CONCLUSION

Using method approach *Location Quotient* (LQ), the leading sectors in South Tangerang City in the 2007-2008 period based on the best were the Financial, Leasing and Corporate Services Sector; Services Sector; The building sector; Transportation and Communication Sector; Trade, Hotel and Restaurant Sector; Electricity, Gas and Clean Water Sector.

The percentage of total GRDP growth in the change in PDRB of economic sectors in South Tangerang City for the period 2007-2008 shows an increase in the contribution of 7.24 percent. With the largest percentage of the trade, hotel and restaurant sector at

14.66 percent. And the smallest growth was occupied by the agricultural sector which experienced a growth of (-0.25) percent.

The trade, hotel and restaurant sector ($PPij > 0$) based on analysis *shift share* (SS) is a sector that has strong growth fastest compared to other sectors. However, the trade, hotel and restaurant sector is not the fastest growing economic sector. The sectors that experienced the fastest growth in sequence were among the highest leading sectors, namely the financial, leasing and corporate services sector (11 percent), followed by the non-leading mining and quarrying sector (9 percent), and the services sector (7 percent). Judging from its competitiveness, the economic sector that has good competitiveness ($PPWij > 0$) is the trade, hotel and restaurant sector which has the highest competitiveness compared to other sectors that are less competitive.

REFERENCES

- Adisasmita, Rahardjo. *Dasar-dasar Ekonomi wilayah* (Yogyakarta: Graha Ilmu, 2005)
- Adisasmita, Rahardjo, *Pengembangan Wilayah Konsep Dan Teori* (Yogyakarta : Graha Ilmu, 2008)
- Arsyad, Lincolin. *Ekonomi Pembangunan*. (Yogyakarta: Sekolah Tinggi Ilmu Ekonomi YKPN, 2004)
- Bratakusumah, Deddy Supriady dan Riyadi. *Perencanaan Pembangunan Daerah*. (Jakarta: Gramedia Pustaka Utama, 2003)
- Daryanto, Arief dan Hafizrianda, yundy. *Model-Model Kuantitatif Untuk Perencanaan Pembangunan Ekonomi Daerah: Konsep Dan Aplikasi*. (Bogor: IPB Press, 2010)
- Glasson, J. *Pengantar Perencanaan Regional*. (Fakultas Ekonomi Universitas Indonesia. Jakarta, 1977)
- Kadariah. *Ekonomi Perencanaan* (Jakarta : Universitas Indonesia, 1985)
- Karoma, Alifiatul. *Pengembangan Kawasan Agribisnis Belimbing Dewa di Kota Depok*. (Studi Kasus: Kecamatan Sawangan, Kota Depok). [Skripsi]. UIN Syarif Hidayatullah Jakarta. Fakultas Sains dan Teknologi. Program Studi Agribisnis. 2010
- Kartasasmita, Ginandjar. *Administrasi Pembangunan: Perkembangan Pemikiran Dan Praktiknya Di Indonesia* (Jakarta: LP3ES, 1997)
- Mankiw, N.G. *Macroeconomics*. Imam Nurmawan [penerjemah]. (Jakarta: Erlangga, 2000)
- Mubyarto. *Pengantar ekonomi pertanian* (Jakarta : PT Pustaka LP3ES, 1994)
- Priyarsono, D.S, sahara, dan M. firdaus. *Ekonomi Regional*. (Jakarta : Universitas Terbuka, 2007)
- Richardson, HW. *Dasar-Dasar Ilmu Ekonomi Regional*. (Jakarta: Fakultas Ekonomi Universitas Indonesia, 1977)
- Sondari. *Analisis Sektor Unggulan Dan Kinerja Ekonomi Provinsi Jawa Barat Periode 2001-2005*. Institut Pertanian Bogor. Fakultas Ekonomi dan Manajemen. 2007)
- Tarigan, Robinson. *Ekonomi Regional Teori Dan Aplikasi* (Jakarta: Bumi Aksara, 2005)
- Tarigan, Robinson. *Perencanaan Pembangunan Wilayah* (Jakarta : Bumi Aksara, 2005)