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POLICY ANALISIS ON REGIONAL ECONOMIC DEVELOPMENT SECTOR IN LAMPUNG

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ABSTRACT

This research was based on the argumentation that the economic growth did not happen at the same time and equal to all regions. This could be understandable because of the different resources, technology and the institutions condition in each region. The aims of this research are : 1). Describing the contribution of economic sector in Lampung, 2). Describing the comparative and competitive advantages in Lampung regional economic sector. The type of the research was descriptive using quantitative approach, location quotient, and shift share analysis. The data sources used formal surveys from *Badan Pusat Statistik* in two different points each year in a decade. The result of this research explains that almost every region in Lampung had competitive advantages in different agriculture sector. It is identified that the development of regional economics still rely on the natural resources in every region. Meanwhile the competitive advantages of every region are relatively different from nine economic sectors. That condition will give the different significant effect in regional economics sector, the distribution labour and spatial structure. The recommendation and implication policy from this research are that according to develop the competitive advantage in one region, it is not only needed the natural resources but also human productivity, the infrastructure growth, technology, institutional system and the right spatial policy.

Keywords: region, comparative advantages, competitive advantages.

INTRODUCTION

The decentralization policy is actually the dynamics of the position and role of the region as an integral part of the embodiment of national interests. The thoughts about decentralization policy are not only demanding political and administrative perspective (Manor, 1999), but also related to the spatial aspect (Muttalib, 1982, Smith, 1985), which are reflected by the establishment of autonomous regions. On that basis, it is understandable if the implementation of regional autonomy is realized by providing broad discretion, realistic and responsible in proportion with more emphasis on the principles of democracy, the role of society, government and justice as well as with regard to the potential and diversity of the regions.

After more than a decade, the implementation of decentralization policy, the challenge is how to harness the potential of the resources owned by the region, increasing the incentives for the involvement of stakeholders as well as laying and directing regional development programs in accordance with the potential and the capacity in line with the dynamics of community demand and regional trends and global issues. At the practical level, these problems have not been fully anticipated. This can occur because of one of the weaknesses and problems faced by the region is the gap between what is made by decision makers as reflected in the various policies with reality implementation. This situation, in turn, will create an atmosphere of formalism that ultimately leads to less achievement of the goals and objectives of the planned decentralization policy itself.

In order to achieve the implementation of regional autonomy and sustainable development, it is necessary to formulate the direction of development and regional development that is able to foster the productivity of the region for community welfare. Lampung, as one autonomous region in implementing autonomy, is certainly not out of the readiness and potential and carrying owned area concerned, both environments internal and external. Readiness of the region is highly dependent on the state of natural resources, infrastructure, available capital and human resource capacity (Anwar, 1994). The fourth of these resources must be sufficiently available and are expected to realize the development of the region for enhancement productivity and prosperity.

A region, generally, has the advantages of physical or economical in producing a particular type of goods or services (Winoto, 1996). If a region may be forced to produce a variety of goods and services to meet the needs of society, although it can be forced, basically it is a waste of resources and is too expensive to be borne by the community. An area should be able to realize comparative advantage and concentrate production or goods and services that have the highest comparative advantage so as to produce a surplus that can be traded with other regions. If these areas are able to realize its comparative and competitive advantages and trade surplus production is possible, the total community production efficiency will be realized.

The concept of comparative and competitive advantages are different from the one generally believed to be a dynamic concept (Anwar, 1994, Winoto, 1996, Saefulhakim, 1994, Wiggins and Ruefli, 2002). This means that the comparative and competitive advantages of an area can be changed and of course can also be developed. Things that need to be done to improve the comparative and competitive

advantages, many of which are the development of an economic sector or a particular commodity, is a way to change or improve components or factors that directly or indirectly affect the comparative and competitive advantages of the region. These components include (Winoto, 1996) are: (1) natural resources and the environment, (2) the composition of inputs, (3) transport, (4) institutional, (5) human resources, (7) technology, (7) convenience, (8) the combination of the components earlier.

In the context of such thinking, this study was conducted to describe the comparative and competitive advantages of an area, especially those related to economic sectors in the province of Lampung.

METHODOLOGY

This study is basically descriptive research (Singarimbun and Effendi, 1989). The main variable is the sector of the region's economy, covering nine sectors. The value and contribution of each sector will then be transformed into a constant value which will then be analyzed quantitatively. Data research used secondary data at two points different years (t_0 dan t_1) from Badan Pusat Statistik.

The analysis model that will be used to assess comparative and competitive advantages the region are quantitative analysis model Location Quotient and Shift Share Analysis (Blakelly, 1994, Hui Nee, 2012). LQ value for economic sector is calculated by the following equation:

$$LQ_{ij} = \frac{(A_{ij} : \sum B_j)}{(M_i : \sum N)}$$

Description :

- LQ_{ij} : value LQ economic sector-i in region-j
- A_{ij} : value economic sector-i in region-j
- B_j : the amount of economic sector in region-j
- M_i : variety value economic sector-i in Lampung
- N : the amount of economic sector in Lampung

While equation Shift Share Analysis (SSA) can be described as follows:

$$SSA = \{(\sum D_i / \sum C_i) - 1\} + \{(D_i / C_i) - (\sum D_i / \sum C_i)\} + \{(B_i / A_i) - (D_i / C_i)\}$$

Description :

- D_i : value of economic sector in province year t
- C_i : value of economic sector in province year t-1
- B_i : value of economic sector in region/city year t
- C_i : value of economic sector in region/city year t-1

RESULTS AND DESCRIPTION

Based on the analysis of secondary data on the economy using economic analysis model Base (LQ) and Shift Share Analysis (SSA), it was known about the comparative advantages and competitive in each area of Lampung. From the results of analysis showed that the agricultural sector, followed by electricity, gas and water supply as well as trade, hotels and restaurants were economic sectors that have comparative advantages in almost all districts or cities in Lampung. This was understandable considering that these three sectors contributing to the economic growth of the region, particularly the agricultural sector. No doubt, that the potential of the agricultural sector was relatively large, not only the agriculture from wetland and dryland farming with its superior range of commodities. In detail the comparative advantage of economic sectors in the regions or cities in Lampung were displayed, in the following table:

Tabel 2. Comparative Advantage Economic Sector Municipality In Lampung Province

No	Municipality	Year	Economic Sector								
			1	2	3	4	5	6	7	8	9
1	Bandar Lampung	2000			#	(#)	#	#	#	#	#
		2011			#	#	#		(#)	#	#
2	Metro	2000				(#)	#	#	#	#	#
		2011				#	#	#	#	#	(#)
3	Lampung Selatan	2000	#								
		2011	#			#	#		(#)		
4	Tanggamus	2000	#				#			#	#
		2011	(#)	#		#					
5	Lampung Timur	2000	#	(#)							
		2011	#	(#)				#			
6	Lampung Tengah	2000	#		(#)	#					
		2011	(#)		#	#	#				
7	Lampung Utara	2000	#					#		(#)	#
		2011			#	(#)	#	#			#
8	TulangBawang	2000	#		(#)			#			
		2011	(#)		#			#	#		
9	Lampung Barat	2000	(#)					#			
		2011	(#)			#		#			
10	Way Kanan	2000	(#)								
		2011	(#)	#							#

Source : Data processed, 2016.

Description : (#) Economic Sector with the highest LQ

The data above showed that the agricultural sector that rely on the input of resources into land still showed comparative advantages possessed by almost all region/city in Lampung.

These conditions needed to be observed, not only related to the issue of "trade-off" of the sector compared to the economic sectors or services, but the problems faced and needed to be careful in terms natural resources exploitation was related to the quality and the degradation of natural resources in the environment. That was, within the broader framework of natural resource management always associated with

opportunity cost between economic benefits obtained by degradation or environmental damage caused. This is the issue of natural resource exploitation mechanisms not mentioning the market mechanism which was reflected from supply and demand for these resources. However, it is necessary that the government's intervention, especially the local government in terms of allocation, licensing, developing and monitoring.

Thus, in order to give the value addition to agricultural sector to benefit, both for producers and consumers certainly needed to be supported with the accessibility policy area. This accessibility development, was not only done in order to smoothen the movement of the flow of goods and services but also reduced the cost of transportation.

At the same time, policy interventions are required, especially with regard to human resource development, the intervention of technology, capital and institutional system, and thus there were comparative advantages in each region/city could continue in a sustainable manner.

To determine the potential of a region apart in terms of comparative also seen its competitive advantage. Analysis of the competitive advantage was to see the ability to compete from an economic activity of a region in the context of regional economic dynamics or changes (province). Sectors of the economy that are the hallmark in the region/ city environment of Lampung could be seen from the magnitude of the differential value shift in SSA. Shift differential component indicated that an economic activity would grow faster or slower in a region compare to others.

**Tabel 2. Competitive Advantage Economic Sector Municipality
In Lampung Province**

No	Economic Sector	Municipality									
		BL	Mtr	LS	Tgm	LT	LTg	LU	TB	LB	WK
1	Agriculture	#				#	#				#
2	Mining and Quarrying				#		#	#		#	#
3	Manufacturing Industry	#				#		#		#	#
4	Electricity, Gas and Water Suply			(#)	(#)		#	(#)	#	#	#
5	Construction						(#)	#		#	#
6	Trade, Restaurant and Hotels					(#)	#	#			
7	Transportation and Communication			#				#		(#)	#
8	Financial, Ownership and Business Service	(#)	(#)								
9	Services		#			#		#		#	(#)

Description: (#) the highest positive value

Based on the above table it is known that the superior of economic competitiveness bases in each region showed that the sector grew at a rate higher than the agricultural sector at the provincial level. Competitive component was positive for building blocks for growth in the future. Similarly, the comparative advantages of the region,

the competitive advantage of the region turned out all region/city also put agriculture as one sector that was competitive in most region/city in Lampung. This condition was signaled, that the potential of the agricultural sector in Lampung could be seen as a prime mover for the development of regional economy. This condition should certainly be supported by the development of facilities and accessibility, institutional, technological, human resources support and capital so that this sector was expected to grow faster.

Furthermore, Saefulhakim (1994) suggested that economic growth occurs in a region also affected region towards physical resources or land resources. Dynamics of changes in land use are also a reflection of the structure of the economy and community preferences. Because the structure of the economy and community preferences is always change at any time in line with population growth and the dynamics of development, the structure of any land use is dynamic and thus changing patterns of land use can not be avoided. Even within the broader framework, the phenomenon of land use and land use change will provide fairly broad implications of the diversity in region's economy, the allocation of resources and labor and spatial structure. It may therefore be argued that the provision of service facilities within the spatial aspects, the quality and the number is closely related to the level of social welfare. So it can be identified, that the increase in social welfare is determined by the degree of the provision of care facilities availability. Availability of service facilities in turn will encourage more economic activity to go forward.

In addition it should be understood that the economic growth in the region would have an impact on the surrounding area. Furthermore, in reviewing the development of the region, especially with the approach of supporting growth center and the region, please note the relationship or interaction with the local service center within the scope of social and economic activities were reflected in the flow of people, goods and services. The relationship could be a spread effect to hinterland, or on the contrary phenomenon of back wash effect which would be detrimental to the hinterland. Thus of these explanations shown that the close relationship between the growth centers which provided various care facilities with activities and socio-economic activities, both located in the central area of growth itself and hinterland.

Along with the economic growth in a region, then the extraction of natural resources were approached to the one that had the pace, pattern and impact. The rate of change of land resources a massive scale would be affected by the change of pace and a time dimension. The dimension of time was defined as the development or growth of the region. This could be understood that the region would evolve over time, assuming that the component of regional growth development in line with the development of the region. With the development of the region, especially in the service centers were expected to be potential factors that could influence the rate for changing land resources in a certain period.

Development that does not carefully consider the characteristics of the region, both in the farming and non farming tends to cause undesirable effects which will affect the sustainability of development area itself, especially the environmental ecosystem.

These conditions, among others, can be traced from their new economic activity with no or less related to the activities that already exists. Thus, it will give the impression that economic activity is going to walk on their own. Even sometimes it is more promising than the inferior activity. Such conditions, if it is not examined earlier, will arise the problems in the future.

CONCLUSION

Based on data and analysis that have been presented, it can be concluded the following matters:

1. The agricultural sector is an economic sector that has a comparative advantage in almost region/city in Lampung, followed by trade, hotels and restaurants, electricity, gas and water supply and construction.
2. The economic sectors that have a competitive advantage in the region/city in Lampung include : electricity, gas and water followed by manufacturing, mining and service sectors.

In order to develop a competitive and comparative advantage, it requires the provision of facilities and infrastructure, development and technological innovation, the availability of capital and human resources as well as support the institutional system region so that each region/city is able to optimize the comparative and competitive advantages for regional economic development and welfare.

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