Potentials Of Leading Sectors In Bangka Belitung Island Province On 2013-2017

Atik Yulianti

Regional Development Planning and Development Research Agency, Bangka Belitung Island Province
atik_yulianti@yahoo.com

Article Info	Abstract
	Decentralization and regional autonomy policies provide opportunities for development of governments and communities in the regions. The economic and financial potential needs to be extracted and processed, so it could be a tangible output that gives an additional value to the product which lead to improving the welfare of the people in the Bangka Belitung Islands Province. Regional economics can be divided into two sectors, namely basic activities and activities rather than bases. This study uses Location Quotient method to find out and analyze the basic or superior sectors in the Bangka Belitung Islands Province. Based on the results of the research, Mining and Excavation sector, Government administration sector, Agricultural sector, Health and services sector, Real estate sector, Manufacturing industry and the big and retail trade sector; are those who have more than 1 local offering so they can be favored for the Bangka Belitung Islands Province in 2013-2017.

INTRODUCUTION

Regional economic growth is an important element in the process of regional economic development. The higher level of regional economic growth is one of the main targets in the regional development plans in addition to the development of other sector. The economic growth of a region is shown by using the increase of gross domestic regional product, so that the development of gross domestic regional product per capita achieved by the community often times set as an indicator of the success of a region in achieving its goals to create economic development (Sukirno, 1984). The ability of regions to grow is largely determined by various economic factors. Some of these economic factors influence each other. The determinants of regional economic growth are important to know in detail along with its characteristic.

Economic growth is classically influenced by two main factors namely total output growth and population growth. Economic growth is strongly influenced by the productivity of sectors in using production factors. Productivity can be increased through various means of education, training and better management. As for the neo-classical growth theory, output growth always comes from more than three factors namely an increase in the quality and quantity of labor, additional capital (savings and investment) and technological improvements (Sukirno, 2008).

For this reason, it is necessary to further investigate how much the influence is made by each of these factors in determining regional economic growth. The main challenge of implementing regional autonomy and developing the real sector for Regional Governments is the identification and understanding of the economic potential of each region.

Decentralization and regional autonomy policies provide opportunities for governments and communities to develop their own regions independently. Economic and financial potentials need to be explored and cultivated, to produce real output which has an added value, so that it can be sold and exported, which will ultimately lead to the increase in people's welfare (Ambardi, 2002).

Bangka Belitung Islands Province is one of the provinces where is widely known to the public from the popular movie some time ago. As the implication of decentralization, Bangka Belitung Islands Province also has the freedom to develop economic sectors, although several strategic economic sectors are still controlled by Central Government, in accordance with the mandate of the 1945 Constitution, but the economic benefits of the sectors are also perceived by the region and the surrounding community both locally and regionally.

Regional economies can be grouped into two sectors, namely basic and non-basic activities. The marketing areas of regional basic activities usually are still local. According to this theory, an increase on the number of basic economic activities in an area will increase the amount of related regional income so that it could increase the demand for goods and services in the area and will encourage an increase in the volume of non-basic economic activity (multiplier effect) (Glasson, 1990). But on the contrary if there is a decrease in the number of basic activities, it will cause a reduction in the income for the related area and then there will be a decrease also in the goods produced by non-basic activities.

The regional development policy of the Bangka Belitung Islands Province is emphasized on the aspect of equitable development and its results, so that it can be perceived by all levels of society. Bangka Belitung Islands Province as a potential developing area, the general policy of economic development focused on leading sectors that can accelerate the rate of economic growth. Thus, healthy and dynamic economic stability can be created in order to achieve prosperity that can be perceived by residents of the Bangka Belitung Islands Province in a sustainable manner.

One indicator to determine the level of economic activity is the calculation of gross domestic regional product, the difference between the rate of economic growth and the structure of the economy in a certain period and region. The economic potential of a region will also illustrate the region's ability to spur economic growth, its ability to absorb investment, labor, goods, services, and savings. The economic potential of an area by sector could be calculated from how much each sector contributes to the gross domestic regional product and the ability of those each sectors absorb labor. The sector, which can provide the largest contribution and at the same time can make the highest employment absorption, will become the leading economic potential (base economy) of the region.

Based on this, a further research is needed to find out the basic or superior sectors in the Bangka Belitung Islands Province so that the government could focus the policies to the potential sector to improve the regional economy. Based on the study of Bank Indonesia in 2007, it is known that the Economy of Bangka Belitung Province is based on primary sectors, particularly tin. This primary sector is the mainstay of the Bangka Belitung Island Province economy and the sector where many residents depends their lives on.

However, based on the results of research from the Ministry of Trade, the tin production of the Bangka Belitung Islands Province began to decline (Ministry of Trade, 2014). In addition, the 2017 Regional Medium Term Development Plan of Bangka Belitung Islands Province) 2017 to 2022 emphasizes the economic development based on regional potential infrastructure and interconnectivity as well as the development of human resources. With the aforementioned conditions and changes in development priorities, a mapping of regional potential is urgently needed so that it can be used as a driver for regional development in the Bangka Belitung Islands Province.

METHOD

This research use quantitative analysis method with descriptive format that aims to explain, summarize various conditions, situations, or some variables that arise in the community which are the object of research based on what is happening. According to Sugiyono (2008), descriptive research conducted to determine the value of an independent variable, either one or more variables (independent) without making comparisons or connecting with other variables.

The data used in this study are secondary data obtained from BPS data sources in the Province of Bangka Belitung and Central BPS 2013 to 2017 period. To find out what sectors are the basis and non-basis for GDRP of the Province of Bangka Belitung Islands, the analysis of potential sectors of the Province of Bangka Belitung Islands use Location Quotient approach.

According to Hood (1998) Location Quotient (LQ) is a simple economic development tool with all its advantages and limitations used to measure the relative concentration or level of specialization of economic activity through a comparative approach. With the advantages possessed by the Location Quotient analysis, according to Miller et al (1991), Isserman (1997), and Hood (1998) the results of this analysis can be used to determine the comparative advantage of an area used determine the sectors and leading commodities in an economic region.

Arsyad (2002) also revealed that this LQ analysis technique explained that the economic activities of a region were divided into two groups, namely:
a. The basic sector is an economic sector which able to meet the needs of the domestic market and markets outside the region. This means that this sector is able to meet the needs of the region itself and other regions and can be used as a superior sector.
b. Non basis sector is an economic sector that is only able to meet the needs of the region itself, a sector like this is referred to as the non-leading sector.

LQ formulation in determining the basis and non basis sectors, expressed in the following equation (Tarigan, 2005):

$$LQ = \frac{X_{in}/Y_n}{Y_i/Y}$$

Where: LQ= Value Location Quotient; X_{in}= GDRP sector in analyzed region; Y_n=Total GDRP Sector in analyzed sector; Yi = gross domestic regional product Sector nation wide ; Y = Total GDP nation wide

RESULT AND DISCUSSION

The LQ value is used as an initial indicator to look for potential economic sectors (basis sectors) and has a significant influence on regional economic growth (Arsyad, 1999). Analysis is carried out using the GDP approach, the total regional GRDP. The LQ value of a sector can explain: (i) the sector is a base sector if the LQ is > 1, (ii) the sector only meets the region itself if the LQ is = 1, (iii) the sector does not adequately meet its own region if the LQ is worth < 1.

Table 1. The Calculation of LQ GDRP of Bangka Belitung Islands Province

No	Business Sector	LQ					
		2013	2014	2015	2016	2017	Average
A	Agriculture, Forestry, and Fisheries	1,32	1,38	1,41	1,43	1,38	1,38
B	Mining and Quarrying	1,48	1,51	1,59	1,59	1,62	1,56
C	Manufacturing	1,08	1,05	1,02	1,01	1,03	1,04
D	Electricity and Gas	0,07	0,07	0,08	0,08	0,09	0,08
E	Water Supply, Sewerage, Waste Management, and Remediation Activities	0,21	0,21	0,21	0,21	0,22	0,21
F	Construction	0,83	0,81	0,81	0,83	0,82	0,82
G	Wholesale and Retail Trade; Repair of Motor Vehicles and Motorcycles	0,98	0,99	1,00	1,02	1,05	1,01
H	Transportation and Storage	0,92	0,91	0,90	0,89	0,89	0,90
I	Accommodation, Food Service Activities	0,72	0,73	0,73	0,73	0,73	0,73
J	Information and Communication	0,40	0,39	0,38	0,38	0,38	0,39
K	Financial & Economic Activities	0,45	0,45	0,44	0,43	0,42	0,44
L	Real Estate Activities	1,01	1,04	1,02	1,02	1,03	1,02
M, N	Business Activities	0,16	0,16	0,15	0,14	0,14	0,15
O	Public Administration & Defense, Compulsory Social Security	1,31	1,37	1,43	1,47	1,52	1,42
P	Education	0,68	0,69	0,71	0,74	0,74	0,71
Q	Human Health and Social Network	1,06	1,04	1,04	1,04	1,05	1,04

R,S ,T, U	Other Services Activities	0,40	0,40	0,40	0,41	0,40	0,40
	Total	13,09	13,20	13,32	13,42	13,51	13,31

Source: BPS Bangka Belitung Island Province, 2019

Based on the LQ calculation in Table 1 for the period 2013 to 2017, on average, the sectors which are the basis and non-base sectors in the Bangka Belitung Province can be identified as follows:

a. Agriculture, Forestry and Fisheries Sector with an average value of 1.38, or LQ > 1 so that this sector is included in the basis sector;
b. Mining and Quarrying Sector with an average value of 1.56, or LQ > 1 so that this sector is included in the basis sector;
c. Manufacturing Sector with an average value of 1.04, or LQ > 1 so that this sector is included in the basis sector;
d. Electricity and Gas Sector with an average value of 0.08, or LQ < 1 so that this sector is included in the non basis sector;
e. Water Supply, Sewerage, Waste Management and Remediation Sector with an average value of 0.21, or LQ < 1 so that this sector is included in the non basis sector;
f. Construction Sector with an average value of 0.82, or LQ < 1 so that this sector is included in the non basis sector;
g. Wholesale and Retail Trade; Repair of Motor Vehicles and Motorcycles with an average value of 1.01, or LQ > 1 so that this sector is included in the basis sector;
h. Transportation and Storage Sector with an average value of 0.90, or LQ < 1 so that this sector is included in the non basis sector;
i. Accommodation and Food Services with an average value of 0.73, namely LQ < 1 so that this sector is included in the non basis sector;
j. Information and Communication Sector with an average value of 0.39, or LQ < 1 so that this sector is included in the non basis sector;
k. Financial and Insurance Sector with an average value of 0.44, or LQ < 1 so that this sector is included in the non basis sector;
l. Real Estate Sector with an average value of 1.02, or LQ > 1 so that this sector is included in the base sector;
m. Business Activities Sector with an average value of 0.15, or LQ < 1 so that this sector is included in the non basis sector;
n. Public Administration and Defense and Compulsory Social Security Sector with an average value of 1.42, or LQ > 1 so that this sector is included in the base sector;
o. Education Services Sector with an average value of 0.71, or LQ < 1 so that this sector is included in the non basis sector;
p. Human Health and social work activities with an average value of 1.04, namely LQ > 1 so that the sector is included in the basis sector;
q. Other service sectors with an average value of 0.40 or LQ < 1 so that this sector is included in the non-base sector.

Based on the description of the LQ results above for the period 2013 to 2017, on average, the sectors which are the base sectors in the Bangka Belitung

Islands Province, there are 7 (seven) sectors, which are the Mining and Quarrying Sector, Public Administration, Defense and Compulsory Social Security, Agriculture, Forestry and Fisheries Sector, Health Services and Social Activities Sector, Real Estate Sector, Wholesale and Retail Trade Sector; Repair of Motor Vehicles and Motorcycle. These seven sectors are the basic sectors that have advantages for Bangka Belitung Island Province so that they are able to meet the needs within the Bangka Belitung Islands Province and have the potential to be exported to regions outside the Bangka Belitung Islands Province.

The mining and quarrying sector which is a base sector in the Bangka Belitung Islands Province during 2013 to 2017 shows that this sector is a sector that supports the economy of the Bangka Belitung Islands Province and can also fulfill other regions. The tin produced by the Bangka Belitung Islands Province not only meets the needs in Indonesia but also in the world, bearing in mind the second largest producer of tin sand in the world is Bangka Belitung. Based on the LQ with the GDP approach, it is seen that the dependence of the economy of the Bangka Belitung Islands Province on the mining and quarrying sector, especially on tin commodities. For the people's mining sector in the Province of the Bangka Belitung Islands is still the main employment that is quite influential for this community, ranging from mining groups to tin buyers utilizing income from mining to be able to meet their daily needs (Sulista, 2019).

The Public Administration and Defense, Compulsory Social Security Sector is required to be one of the basic sectors in 2013-2017. This is influenced by one of the development policy of the Government of Bangka Belitung Islands Province which are pro-growth (pro growth), pro poor (pro poverty), pro job (pro job creation) and pro-environment (pro environment). The policy was outlined in community programs to accelerate development in each regency/city in the Bangka Belitung Islands Province.

For the Agriculture, Forestry and Fishing sector, it also one of the base sectors is dominated by the fisheries subsector supported by geographical factors as an archipelago province, so that production can be exported outside the region, beside the production of pepper, rubber, and palm oil plantations continues to increase. The Human Health and Social Activities Work sector has a LQ > 1, this shows that this sector is one of the basis sectors. With the existence of the Community Health Insurance Program (JAMKESMAS), it is possible to provide health fulfillment in the community.

The Real Estate Sector, based on data for 2013-2017 is one of the base sectors. With the Tanjung Kelayang National Priority Strategic Area on Belitung Island and supported by 2 (two) Tanjung Gunung SEZ candidates in Central Bangka Regency and SEZ in the East Coast of Sungailiat in Bangka Regency, it has greatly encouraged the property industry in the Bangka Belitung Islands Province. Based on data 2013-2017 period, manufacturing industry is one of base sector in the Bangka Belitung Islands Province. While Processing Industries for tin and other commodity processing industries such as fisheries and plantations, become one of the economic support of Bangka Belitung

Islands Province. Wholesale and retail trade; Repair of Motor Vehicles and Motorcycles is a base sector with LQ > 1 and continuously increase from 2013 to 2017.

From 2015 to 2017 this sector has become a base sectors, this is due to an increase in household consumption that occurs with the convenience provided in the credit sector. The non-base sectors in the Province of Bangka Belitung in 2013-2017 there were 10 (ten) sectors, namely the Electricity and Gas, Water Supply, Sewerage, Waste Management and Remediation Activities, Construction, Transportation and Storage, Accommodation and Food Services, Information and Communication, Financial and Insurance, Business Activities, Educational, Other Services. These sectors are only able to meet their own regional needs.

CONCLUSION

Based on the results of the analysis and discussion of LQ it is obtained the leading sectors which are the basis sectors in the Bangka Belitung Islands Province on average from 2013-2017 i.e. Mining and Quarrying Sector, Public Administration, Defense and Compulsory Social Security, Agriculture, Forestry and Fisheries Sector, Health Services and Social Activities Sector, Real Estate Sector, Wholesale and Retail Trade Sector; Repair of Motor Vehicles and Motorcycle.

Some of these sectors are leading sectors that have greater potential to be developed so as to encourage regional economic growth. Unfortunately, this research is still limited to the stage of determining leading sector, to other researchers it is recommended to continue this research to the stage of determining sub-sectors and leading commodities.

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