REGIONAL ECONOMIC DEVELOPMENT BASED ON LEADING SECTORS LINKAGE WITH OTHER ECONOMIC SECTORS IN EAST JAVA

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Abstract

East Java had 7.5 percent of economic growth in 2012. East Java as the subsystem of MP3EI the main assertion is on improving the economic growth, this is evidenced by GDP the second largest numbers in Java and the largest economic growth index reached 7.22% (the highest in Indonesia). Substantial economic growth that can grow larger if supported by linkages between economic sectors. Conversely, if there is a gap, then it can eventually cause problems. Sectoral approach of regional development through a greater emphasis on the selection of leading sectors that can act as a generator of economic development.

5 analytical tool used in this research, i.e. LQ (Location Quotient), Shift-Share and Klassen Typology to analyze the leading sectors in East Java, input-output analysis to analyze forward linkage and backward linkages to analyze sectoral linkage, descriptive analysis to formulate the development of regional economic in East Java.

From the analysis of Location Quotient (LQ), Shift-Share and Klassen Typology, each regency/city has a diverse leading sector. From the calculation of input-output analysis shows that the entire sector has linkages, both forward linkage and backward linkage, but linkage used in this research is that a relatively strong linkage (FL>1 or BL>1.
Formulation of regional economic development based on leading sector linkages with other economic sectors are interpreted using a linkage region on the map and the sector used is the leading sectors in East Java, i.e. Trade, Hotels and Restaurants Sector; Manufacturing; and the Agriculture Sector. The third sector is associated with a sector that has a relatively strong linkage with the third sector, both forward linkages and backward linkages. The regional linkage is an efficient linkage based on accessibility, needs, and availability of infrastructure between districts/cities.

Key Words: leading sector, sectoral linkage, regional linkage