FEATURED SECTOR ASSESSMENT IN 2010 AND IMPACT ON ECONOMY IN WEST SULAWESI, INDONESIA

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ABSTRACT
National development in Indonesia is carried out during an impact on changes in the economic structure of the region as a whole. However, construction activities should be aimed more at the business community enhancement, expansion of employment, reduction of poverty levels. In the era of regional autonomy in Indonesia today, and enter the era of economic globalization, the problems and challenges faced by central and local governments are becoming increasingly multi-dimensional and complex. The aim of this research is to conduct in the economy in West Sulawesi, by mapping leading sectors approach the backward-forward linkage from Input-Output and outcome associate with Quotient Location Index (LQ) of each district in West Sulawesi. West Sulawesi province, on a regional scale, pursuant to Act 22 of 1999 in conjunction No.32 of 2004 on regional government and Law 25 of 1999 in conjunction No.33 of 2004 on fiscal balance of the central government and local governments, the system centralized government turned into decentralization (regional autonomy). The authority of local governments have acquired legitimacy to prepare development plans, establish key sectors with clear priorities. Using Input-Output Indonesia terminology, the relationship between economic sectors will be known by looking at the index of the spread and the index of sensitivity, and the six sectors, namely palm oil, rice milling, Plywood and other, Paper and Services, restaurants, and Air Transport Services. The six sectors are key sectors and is a leading sector to stimulate the economy in the province of West Sulawesi. The six sectors may be the direction and goals, priorities western Sulawesi so that development can take place effectively and efficiently, mainly due to limited local resources. Resources may not be allocated evenly on sectors, but should be focused on a particular sector based on priorities. The six sectors are priorities in West Sulawesi province. With the discovery that the forward and backward linkage is closely correlated with the value of LQ, it is necessary to establish priorities as follows: First, oil palm seed sector can be prioritized in areas Mamuju and North Mamuju. Second, the dominant sector rice milling can be prioritized in the region and North Mamuju Polman. Third, the dominant sector of plywood and the like can be prioritized in areas Mamuju and North Mamuju. Fourth, the paper sector and the like can be prioritized in the Majene and North Mamuju. Fifth, the service sector can be prioritized in the tourism and Mamasa Polman, and sixth, air transport sector can be prioritized in the Mamuju.

Keywords: West Sulawesi, Backward Linkage, Forward Linkage, Leading Sector

1. INTRODUCTION
National development in Indonesia is carried out during an impact on changes in the economic structure of the region as a whole. However, construction activities should be aimed more at the business community enhancement, expansion of employment, reduction of poverty levels. In the era of regional autonomy in Indonesia today, and enter the era of economic globalization, the problems and challenges faced by central and local governments are becoming increasingly multi-dimensional and complex. Regional economic relations become more varied and increased intensity. In various areas of development are conducting face various constraints such as the quality of human resources, as a necessity, and occupies a strategic position in the implementation of regional development. Development with a variety of advantages and disadvantages, but the most important is how it can optimize the ability of the advantages and minimize the shortcomings.

Initiatives to implement the development plan in accordance with the regional autonomy law is very important and must be born from the region itself. The areas of
development planners to formulate development plans in accordance with local needs and potentials. Identification and development of leading sectors is a strategic step for the region, for the following reasons:

1. Leading sectors may be the direction and targets, regional development priorities that development can take place effectively and efficiently, mainly due to limited local resources. The allocation of resources may not be allocated evenly on sectors, but should be focused on a particular sector based on priorities.

2. Leading sector can serve as a driving force sector of the economy as a whole. In addition to spurring internal sector, the dominant sector can also encourage the growth of other sectors in the presence of inter-sectoral linkages.

3. Given the strategic position that is owned by a good view of the area as well as the geographic concentration of economic activities (agglomeration), the dominant sector is expected to encourage economic growth in the surrounding area (hinterland).

Based on the linkage of economic sectors, the development plan to determine which sectors are the dominant sectors (leading sectors) in the region's economy. The importance of seed development given its ability to create a multiplier (multiplier) output, the income and employment opportunities for the region's economy. The sectors development priorities aimed at key sectors as well as a clear picture of the sectors that have a major role, both for its own sector and other sectors. Thus policies related to economic planning regions will be prioritized in the sector both spatially and thoroughly.

From the above background, it is important regional study conducted in the economy in West Sulawesi, by mapping leading sectors approach the backward-forward linkage from Input-Output and outcome associate with Quotient Location Index (LQ) of each district in West Sulawesi

2. LITERATURE REVIEW

Theories of structural changes that transform on focus of the economic structure of farming to a more modern economic structure and had the manufacturing sector and the services sector is tough. The flow of the structural approach is supported by the W. Arthur Lewis's famous theoretical model of "two-sector surplus labor" and Hollis B. Chenery was very popular with the empirical analysis of "patterns of development" (patterns of development) (Todaro, 2000:100).

Meanwhile, the theory of development patterns Chenery discussion focused on structural changes in the stages of the process of economic change, industrial and institutional structure of the country's economy is growing, that is being transformed from a traditional agriculture sector to switch to industry as a cog economy. Research conducted by Chenery (1997) on transforamsi production structure shows that in line with the increase in income per capita, a country's economy will shift from the initial count toward to agriculture industry sector. According to Kuznets (1966), changes in economic structure or often referred to as structural transformation, defined as a series of interrelated change each other in the composition of aggregate demand, foreign trade (exports and imports), aggregate supply (production and use of factors of production, such as the use of labor and capital) are due to the process of development and sustainable economic growth (Chenery, 1997).

Perroux in (Arsyad.1999 :147-148) said that growth does not appear in different areas at the same time. Growth occurs only in a few places with a different intensity. Seed industry (L'industrie matrice) is a major driver in the development of the region, the dominant sector allows for centralization of the industry that will accelerate the growth of the economy, because the concentration of the industry will create different consumption patterns between regions so that development of the industry in one area will affect the development of other areas.
The economy of a region in the long run will change the original structure of the economy which rely on agriculture towards industry. Of the workforce will be causing a shift of labor from agriculture to industry, resulting in increased agricultural contribution. This certainly affects the level of income among the population and among sectors of the economy, because the agricultural sector has the ability to absorb more labor than the industrial sector, the result would be the allocation of income and labor from low-productivity sectors to high-productivity sectors, will ultimately lead to a gap income and welfare in society. Factors contributing to the changes in the structure of the economy such as differences in the availability of natural resources, geography, human resources, facilities and infrastructure, and capital investment into an area.

Gross Regional Domestic Product (GRDP) was assessed as a measure of the operational development in measuring economic growth. GRDP has meant added value of a person's productive activity in a particular region. According Budiono (1999) that economic growth is the increase in output per capita in the long run. If the GRDP divided by the population of the region reflects the amount of income per capita area. Gross Regional Domestic Product (GRDP) can be said to be a measure of the productivity of the region's most common and widely accepted as a measure of the scale of development in the region.

Arsyad (1999:140-141) states that Location Quotien (LQ) is a technique for determining the export capacity of the regional economy. In this technique, the economic activities of a region divided into 2 groups, namely: (1) economic activities or industries that serve markets in the region itself and outside the region. Industry is called industrial base, (2) economic or industrial activities that serve markets in the region, this type is called non-base industry or local industry.

Input-output analysis was first introduced by W, Leontif in the 1930's. Bulmer.V (1982) states that the input-output analysis in an effort to include a general equilibrium phenomenon in the empirical analysis of the production side. The analysis looks at the relationship between sectors in an economy. Using Input-Output Table can be seen how the output of a sector is distributed to other sectors. This table is considered a data set that provides the structural characteristics of a particular economic system or an analysis to explain and influence the behavior of the system in a long time or a certain period (Todaro, 2009).

Input-output model includes all transactions, both buyers and sellers, which typically occur during certain times of the year. This model provides the basis for a detailed analysis of the relationships between sectors in an economy. If there is a change in the pattern of the purchase or sale of a sector, its impact on other sectors can be calculated. This is what causes input-output model very attractive for regional impact analysis, due to the impact of development projects, for example in each sector in the region can be traced (Kuncoro, 1997:255). In Indonesia, the Input-Output tables released by Statistics first time in 1971 and then periodically compiled tables Input-Output (IO) for the years 1975, 1980, 1985, 1990, 1995, 2000, 2003 and 2005. The basic framework used in every table IO sought to be consistent with each other.

The data set forth in the table Input-Output (IO) shows the relationship between sectors transactions within the economy of a country. Each row shows the number of sales of a sector. Since a sector not sell the goods to a sector that is, the common zeros in a row in the table IO. Columns in table IO record purchases made a sector for goods and services produced by the different sectors in the region. If the numbers in the column to a sector is common zeros, this is because the sector is not always purchase goods and services from all sectors in the economy of the country concerned (Sahara & Resudarmo, 2002).

Results from the forward and backward linkage of Input-Output Analysis, will be obtained leading sector. Leading sector is a sector that most effectively to act as a driving
force of development (engine of development) related to the ability of the sector to encourage and support the growth and development of all sectors of the economy (Mudzakir K.A, 2003). Leading sector as an important sector in the economic development of a region is not only referring to the geographical location alone rather it is a sector that spread in various economic channels so as to move the economy as a whole.

3. RESULT AND DISCUSSION

West Sulawesi province, on a regional scale, pursuant to Act 22 of 1999 in conjunction No.32 of 2004 on regional government and Law 25 of 1999 in conjunction No.33 of 2004 on fiscal balance of the central government and local governments, the system centralized government turned into decentralization (regional autonomy). The authority of local governments have acquired legitimacy to prepare development plans, establish key sectors with clear priorities. Through regional economic development planning, an area viewed as a whole as an economic unit (economic entity) in which there are various elements that are related to each other (Arsyad, 1999).

The economic development of West Sulawesi province in 2008 to 2010 continued to improve. This is indicated by GDP (at current prices) is always on the increase. In 2010, its value has reached about Rp. Billion Euro 4,744,310 or an increase of approximately 0.96% when compared to that of the previous year. This shows that the contribution to the economy of West Sulawesi National relatively very small.

Using Input-Output Indonesia terminology, the relationship between economic sectors will be known by looking at the index of the spread and the index of sensitivity. Deployment of high power index gives an indication that the sector has a strong forward linkages. While high power index gives an indication of the sensitivity of the backward linkage (dependence with other sectors) is also high. Based on this principle, the level of forward linkages between sectors in the economy of West Sulawesi is as shown in Figure 1 below:
In Figure 1, the entire sector can be divided into four quadrants as follows:

- The sectors that have a high forward linkage and backward linkage of high located on the first quadrant. There are six sectors that are in this condition, namely palm oil (14), milling rice (43), Plywood, and other (64), Paper and (67), restaurant services (94), and the Air Transport Services (98).

- The sectors that have low forward linkage and backward linkage is placed high on the second quadrant. The sectors that fall within this group there are 12 which are: Processed and preserved fish (41), copra and animal oils (42), ground coffee and peeling (50), home furnishings (66), other buildings (91), service workshops (93), hospitality services (95), bank (101), insurance and pension funds (103), general government services (106), education services (107), and health services (108).

- The sectors that have low backward linkage low forward linkage is placed on the third quadrant. There are 28 sectors that exist in this category are: corn (2), peanuts (5, soy (6), nuts (7), vegetables (8), fruits (9), rice and groceries (11), coconut (13), cocoa (17), cashew nuts (18), cattle (21), cattle (22), poultry and results (23), forestry (27), ground fish and water yield (31), minerals (35), silk textiles (58), finished textiles and apparel (60), rugs, ropes and textiles (61), agricultural infrastructure (88), roads, bridges and ports (89), construction and installation electricity (90), trade services (92), ocean freight services (97), passenger transportation services (99), entertainment services-recreation-cultural (110), personal services and home (111), other goods and services (112).

- Sectors that have the high forward linkage, but low backward linkage on quadrant four. There are 13 sectors that exist in this condition, namely rice (1), coffee (15), Wood (26), fish and other results (28), prawn (29), cultured milk (30), sugar (48), ceramic goods (75), road transport (96), communication services (100), other financial (102), rental of buildings and land rent (104), and business services (105).

From the comparison of backward linkage and forward linkage can be concluded that the six sectors, namely palm oil, rice milling, Plywood and other, Paper and Services, restaurants, and Air Transport Services. The six sectors are key sectors and is a leading sector to stimulate the economy in the province of West Sulawesi.

A sector has a competitive edge (superior), when the sector has an advantage relative to other regions generated, which in this study means that the sub-sectors if it has a relative advantage among districts with other districts in West Sulawesi province. Analysis of Location Quotient (LQ index) is a technique often used in the method that is the basis of economic analysis to compare the inter-regional economic activity in the broader economy is regional or national, in an attempt to identify the specialties of the region's economy.

From the test results to the rear linkage and linkage to the front, there are 6 sectors results obtained from a total of 59 sectors that are leading the sector, the calculation of the value of LQ in each sector are as follows:

**Table 1: Value in Every Sector LQ Featured in Five districts**

<table>
<thead>
<tr>
<th>No</th>
<th>Leading Sector</th>
<th>Majene</th>
<th>Polman</th>
<th>Mamasa</th>
<th>Mamuju Utara</th>
</tr>
</thead>
<tbody>
<tr>
<td>10</td>
<td>Palm oil</td>
<td>0.000</td>
<td>0.000</td>
<td>0.000</td>
<td>2.376</td>
</tr>
<tr>
<td>26</td>
<td>Rice milling</td>
<td>0.365</td>
<td>1.835</td>
<td>0.272</td>
<td>0.244</td>
</tr>
<tr>
<td>32</td>
<td>Plywood and other</td>
<td>0.383</td>
<td>0.247</td>
<td>0.267</td>
<td>1.523</td>
</tr>
<tr>
<td>34</td>
<td>Paper and Services</td>
<td>2.069</td>
<td>0.178</td>
<td>0.254</td>
<td>0.233</td>
</tr>
<tr>
<td>41</td>
<td>Restaurants</td>
<td>0.245</td>
<td>1.991</td>
<td>2.581</td>
<td>0.384</td>
</tr>
<tr>
<td>45</td>
<td>Air Transport Services</td>
<td>0.000</td>
<td>0.000</td>
<td>0.000</td>
<td>4.414</td>
</tr>
</tbody>
</table>
The test results in Table 1 shows that the palm oil sector is only in two districts namely Mamuju and Mamasa, both of which are sector basis (LQ> 1) and is ranked the top 10. Pennggilingan rice sector was highest in the two districts, namely Polewali Mandar and North Mamuju (LQ> 1). Leading sectors like plywood and highest in Mamuju and North Mamuju (LQ> 1). Leading sectors of paper and goods of paper and cardboard and the highest in North Mamuju Majene district. Flagship restaurant services sector was highest in Polewali Mandar and Mamasa (LQ> 1). While the dominant sector of air transport services only in Mamuju (LQ> 1). To test whether the dominant sector in the economy made the correlation effect on the value of LQ, as shown in the following table:

Table 2: Correlation between Correlations between Forward-Backward Linkage and LQ

<table>
<thead>
<tr>
<th>Correlation</th>
<th>Coefficient of Correlation</th>
<th>Significance Level</th>
<th>Remark</th>
</tr>
</thead>
<tbody>
<tr>
<td>Forward Linkage with LQ</td>
<td>0.922</td>
<td>0.000</td>
<td>Significant</td>
</tr>
<tr>
<td>Backward Linkage with LQ</td>
<td>0.628</td>
<td>0.001</td>
<td>Significant</td>
</tr>
</tbody>
</table>

The result of correlation of Forward linkage in 59 sub-sectors of the LQ in Table 2, the correlations obtained for 0.922, with a value of 0.000 Sig. Since Sig <0.05 (5% error rate), then there is a significant correlation between the forward linkage to the LQ. Since the correlation is positive indicating greater forward linkage, it will impact the greater the value of LQ, indicating the superior sector. Backward linkage correlation testing in 59 sub-sectors of the LQ, the correlation obtained for 0.628, with a value of 0.001 Sig. Since Sig <0.05 (5% error rate), then there is a significant correlation between backward linkage to the LQ. Since the correlation is positive indicating greater backward linkage, it will impact the greater the value of LQ, indicating the superior sector. So the hypothesis that sectors that have forward linkage and forward a strong will to make the sector a leading sector and is able to provide an acceptable impact on the economy.

4. CONCLUSION AND RECOMENDATION

West Sulawesi lies the advantage is in the six sectors, namely palm oil, rice milling, and Plywood, Paper and Services, restaurants, and Air Transport Services. The six sectors are key sectors and is a leading sector to stimulate the economy in the province of West Sulawesi. The six sectors may be the direction and goals, priorities western Sulawesi so that development can take place effectively and efficiently, mainly due to limited local resources. Resources may not be allocated evenly on sectors, but should be focused on a particular sector based on priorities. The six sectors are priorities in West Sulawesi province. With the discovery that the forward and backward linkage is closely correlated with the value of LQ, it is necessary to establish priorities as follows: First, oil palm leading sector can be prioritized in areas Mamuju and North Mamuju. Second, the dominant sector rice milling can be prioritized in the region and North Mamuju Polman. Third, the dominant sector of plywood and the like can be prioritized in areas Mamuju and North Mamuju. Fourth, the paper sector and the like can be prioritized in the Majene and North Mamuju. Fifth, the service sector can be prioritized in the tourism and Mamasa Polman, and sixth, air transport sector can be prioritized in the Mamuju.
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6. REFERENCES