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Leading Sectors of Regional Development in the City Of Mataram

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INTRODUCTION

Economic development is an effort to maintain and increase people's income to achieve their welfare. These efforts will work if there is support for natural resources, human resources, technology, markets, and the quality and quantity of the output. In addition, improvements in institutional aspects, changes in economic structure, policy packages and capital support are needed. All of these aspects if formulated in an appropriate development policy will lead to creation new jobs and increase economic activities that rely on the distinctiveness of the region by optimizing existing potential. This pattern is capable to encourage regional development, considering that industries that use local resources, including labor and raw materials for export, will generate regional wealth and create new employment opportunities (Arsyad, 2010: 376). Basically, each region has different potency that provides opportunities for product specialization with the support of human resources. Thus, investment in human resources is also a necessity considering that capital accumulation will lead to increasing returns as a result of specialization and investment in human resources and science (Arsyad, 2010: 91).

PURPOSE/AIM & BACKGROUND

The city of Mataram, as one of the more developed regions in the West Nusa Tenggara Province in Indonesia, continues to spur its development in various fields, especially in economic. To achieve the welfare of its people, the direction of economic development in the city of Mataram is more focused on developing non-primary sectors such as services, trade, transportation, production and others. These sectors will have different roles in supporting the economy of the city. This research aims to examine the dominant economic potentials and advantages in the development of the city of Mataram. By employing a quantitative descriptive method, the secondary time series data were analyzed using the Growth Ratio Model (MRP) (Imelia, 2006: 27); Location Quotient (LQ); and the Klassen Typology (Arsyad, 2010: 394).

METHODOLOGY

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FINDINGS/RESULTS

The results showed that there were 14 potential economic sectors with positive growth ratios (RPs) in Mataram City (82.35%), and 3 sectors with negative values. Whereas when viewed from the aspect of the economic base, 13 sectors (76.47%) categorized as the base sector, and only 4 sectors were non-base. Furthermore, there were 9 sectors that collectively met these criteria (with a ratio of positive growth and including the base sector) including the sectors of Processing Industry, Water Supply and Waste Management, Construction, Large Trade and Retail, Transportation and Warehousing, Financial Services and Insurance, Real Estate, Corporate Services, and Educational Services. Referring to the Klassen Typology criteria, Mataram is in the type-I classification. This position is quite appropriate, considering that the economy of Mataram City is predominantly supported by tertiary and secondary sectors that have better added value from the primary sectors.

CONCLUSIONS/IMPLICATIONS

This research recommends that the Mataram city government should maintain the existence of potential sectors, by mapping the potential that is owned and widely exposed. In addition, periodic promotions and innovations on production / industrial products and services at the local / national and international level, must continue to be encouraged and developed. Thus the classification as a prosperous region (type-I) can be maintained.

Keywords: Growth Ratio, Base Sector, Location Quotient, Klassen Typology, prosperous area