Conference Paper

Potential Economic Sector Analysis in the Gunung Anyar and Sukolilo Distric in Surabaya City-East Java Indonesia

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Abstract

Regional development for the purpose and effort can be successful with the local government needs to function properly. Therefore, regional development is an effort to develop and strengthen local governments in order to strengthen regional autonomy that is real, dynamic, harmonious and responsible. Sukolilo District is urban (Trade) and Gunganyar sub-district is industrial and agricultural, Two sub districts are still the type of area that is not developed and not prosperous Both sub-districts are state universities (Sukolio distric there is ITS (Intitut Tecnologi of Sepuluh Nopember) and in Gununganyar distric UPN Veteran East Java). Method of this results is research approach about GRDP analysis, Location quotient analysis, multiple effect analysis, local tipology analysis. The result of this research is Sukolilo distric is urban (Trade) and Gunganyar sub-district is industrial and agricultural (pond). The two sub-district are still the undeveloped and non-prosperous areas both sub-districts are state university (Sukolio Sub-district there are ITS and Gununganyar UPNV East Java.

Keywords: Contribution sector, Economic growth multiplier typology, LQ

INTRODUCTION

In enjoying the results of development. In addition, national development should also consider the condition of the regions throughout Indonesia because regional development cannot be generalized by reason of differences in characteristics, culture, social circumstances and so forth. Therefore, the success of national development can be seen from the development of existing areas. Development of a developed region then it can be said that the National Development will also go forward so essentially when seeing the rapid development of the National it can be seen in the development of areas, especially areas far from the national capital, let alone the development of the region is the whole activity in order to exploit the potential of existing areas for Get better condition and community life. Wisdom of Nusantara regional development as an integral part of national development directed to develop area and harmonize growth rate between regions, inter-city, inter-village and village between sectors as well as opening and accelerating development of disadvantaged areas, Minus, critical areas, border areas and other underdeveloped areas, that is in accordance with the priority of the region concerned so that will be realized a pattern of development which is the embodiment of the insight of the archipelago.

Regional development aims to improve living standards and welfare in the region through the development of a harmonious and unified both between sectors and between sectoral development with development planning by an efficient region toward achieving regional independence and progress evenly throughout the country. A potential area can be identified through the pre-eminent sector in each region Looking from various analyzes and investigations on

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economic activity viewed from the point of spread in various regions, regional words can be distinguished in three senses. The first sense considers a region as a space or space in which economic activity applies and in various corners of space the properties are the same. Thus the boundaries between one region and the other regions are determined points where the similarity of the properties has undergone a change. Equality of traits can be viewed in terms of income per capita of its population, in terms of religion or ethnic community or in terms of its economic structure. The second, and most ideal, sense to use in the analysis of space economy, defines the area as an economic space. As Allen and Maclellan say: "The borders between the various regions of the centers of economic activity are replaced by the central influence of others (Aditya, 2010).

The development of regional revenue for developing regions, for example Indonesia shows a stable state, so that development in areas, especially Bojonegoro and Blora districts cannot be financed with the financial capacity of the local government concerned.

Economic growth, which we understand that in the sense of an increase in national production physically or in general terms is an increase in Gross National Product and more precisely the Gross National Product.

Development is a series of sustainable development efforts covering all the life of society, nation and state that carry out the task of realizing national development which is included in the opening of the 1945 Constitution. National development is held gradually in the long term 25 years and short term 5 years by utilizing all national resources To realize the development of creating a just society and prosper both material and spiritual.

The regional economy is a more difficult task compared to analyzing the national economy. Such circumstances arise because the data on the region is very limited, especially if the regions are distinguished based on the notion of nodal regions. With very limited data it is difficult to use methods that have been developed in providing an overview of the economy of a region. Second, the available data are generally incompatible with the data required in the regional analysis because the data collected are mostly intended to meet the data requirements for economic analysis at the national level. Finally, data on the national economy so that the flow-stream flowing in and out of an area is very difficult to obtain.

This approach to national development and regional development has made significant progress. No developed regions without exception. But in reality there is a sharp difference between the progress of an area and other areas. Differences in the pace of development between regions leads to a gap of prosperity and progress between regions, especially between Fifth, high consumption stage where everything is oriented to the problem of non-production consumption

Harrod Domar's Theory in Regional Systems

This theory was developed by (Betz, 2015) in the United States. Unlike Keynes who saw the economy in the short term, this theory looks at the long-term side based on several assumptions:

The economy is closed The saving desire (MPS-s) is constan The production process has a fixed coefficient The rate of growth of the labor force is constant and equal to the growth rate of the population. On the basis of these assumptions, Harrod-Domar makes an analysis and concludes that steady long-term growth (all increases in production can be absorbed by the market) can only be achieved if the following balance conditions are met:
Information:

G = Growth (output growth rate
K = Capital (capital growth rate)
N = growth rate of the labor force

In order for a balance between saving (S) and investment (I) there must be a balanced relationship, whereas the role of k to generate additional production is determined by v (ratio of output capital). (Tarigan, 2007: 49).

Theory of Thomas Robert Malthus

Malthus focuses attention on the development of the welfare of a country, namely economic growth that can be achieved by improving the welfare of a country. The welfare of a country depends in part on the amount of output generated by labor and partly on the value of the product (Ranasinghe and Restuccia, 2018; Sadono, 2006).

Size of Economic Growth

To determine the level of economic growth achieved by a country needs to be calculated Real income, ie real gross national product or real gross domestic product.In the calculation of national income and its components according to fixed price that is at the prices of goods applicable in the selected base year (Priyarsono et al., 2010). The formulas used to determine the level of Economic Growth are:

$$〖GNP〗\_t = (〖GNP〗\_t - 〖GNP〗\_{(t-1)}) / 〖GNP〗\_{(t-1)} \times 100\%$$

Where:

GNP t = National Income year t
GNP t-1 = National Income in the previous year or before year t.

The Theory of Economic Basis

The essence of the theory of economic base on Draft (2008) states that the main factor of economic growth of a region is directly related to the demand for goods and services from outside the region. The growth of industries using local resources, including labor and raw materials for export, will result in wealth creation and job creation. The basic economic approach is based on the opinion that what needs to be developed in a region is the ability to produce and sell the products efficiently and effectively. Furthermore, this model describes the economic structure of a region over two sectors, namely: Sector base, ie sectors or economic activities that serve both the domestic market and outside markets of the region itself. This means that the region indirectly has the ability to export goods and services produced by that sector to other regions. Non-base sector, ie sectors or activities that are only able to serve the regional market itself. Based on this theory, the non-base sector needs to be developed in order to spur the economic growth of a region. Interconnection between Sector and Its Influence on Regional Economic Growth Inter-sectoral relationship is an interrelation that occurs in every economic sector. Analysis of inter-sectoral linkages is a common analysis carried out using input output models. This analysis basically looks at the impact on output from the fact that sectors in the economy are essentially interplaying with each other. The sector with the highest linkage means having the potential to produce a high production output too. Program linkage between sectors in the pattern of economic development is a good policy program and suitable to be implemented and continued in economic development in a region. However, in the implementation needs to be adjusted to the conditions and potential of the real area. LQ uses the ratio of the total PDRB value in a region (regency/city) compared to the GRDP ratio in the same sector in the reference area (province/national).

Location Theory

The theory pioneered by Weber is specific to the activities of the processing industry. So this theory is closely related to the development of industrial zones. To further explore the approach used Least cost analysis in its application. This theory suggests about companies that minimize costs by strategically choosing a location and approaching the market. Strategic in the sense of easy in obtaining raw materials and easy in the distribution of goods or services. Analysis of least costini is based on several basic assumptions, namely the location of markets and raw material sources, raw materials are localized materials, no changes in technology and fixed transportation costs. Weber concludes that the optimum location of an industrial company generally lies where the demand is concentrated or the source of the raw material. If an industrial company selects a location in one of the two places, the freight cost for raw materials and products will be minimized and the agglomeration benefits generated from the concentration of the company at a location can be utilized to the maximum extent possible (Cisse and Barrett, 2018).

Many variables affect the quality or suitability of a site such as labor costs, energy costs, supplier availability, communications, educational and training facilities, the quality of local government and its responsibilities and sanitation. (Arsyad, 2002).

Theory of Central Place

The central place theory assumes that there is a hierarchy of places. Each central place is supported by a number of smaller places that provide resources (industry and raw materials). The central place is a settlement that provides services to the local population that supports it. This theory can be applied to regional economic development, both in urban and rural areas. For example, the need to differentiate functions between adjacent areas. Some areas can be a service provider area while others only as residential areas (Arsyad, 2002).

Cummative Causation Theory

The worsening condition of the areas around the city indicates the basic concept of the cumulative causation of this cumulative causation (Todara et al., 2000). Market forces tend to extend the gap between these areas. Therefore, we recognize that there are so-called advanced and backward regions. The developed regions experience an accumulated competitive advantage over other regions. This is called backwash effect (Arsyad, 2002)

According to this model, regional development inequality will only be reduced through government programs. If it is only left to the mechanism.

METHODS

Research Approach

The research was done by descriptive approach. This approach is done by analyzing qualitatively and quantitatively to know clearly the economic development in Bojonegoro and Blora districts. The data obtained are then incorporated into existing simple mathematical formulas. From the results of processing these data will get an overview of the areas in Bojonegoro and Blora districts that may be slow growth in order to be prioritized in development by developing potentially economic sectors to further accelerate regional growth, so as to support the national economy.

Operational Definition and Variable Measurement

Operational definition and variable measurement are statements about the definition and measurement of operational variables based on existing theory and empirical experiences. It is intended that there is no misunderstanding of the variables discussed and facilitated in the application of data used.

To clarify the individual variables observed, the measurements of these variables can be described as follows.

1. GRDP analysis

   According to the Central Java Provincial Statistics Agency, Regional Regional Domestic Products may be defined as follows: (a) Based on production, is the amount of final product value or additional of the product generated by the production units owned by the population of the region in a certain level. (b) Directed on the income, is the amount of income or services received by the production plant owned by the territory that participates in the production process in a specified manner. (c) based on from side release, mean the best participants who do not get lucky, consume the government, the formation of fixed capital changes stock.

   Definitions related to Gross Regional Domestic Product according to some opinions, such as:

   Gross Regional Domestic Product is the total value of production of goods and services produced in a certain area within a certain time usually within a year. Therefore, the gross regional domestic product shows the ability of a particular region in generating revenue or services to factors that participate in the production process in the local area. Domestic economic growth as reflected in gross regional domestic product is very big influence on the size of

public consumption. Gross Domestic Product (GDP) is the total value of all final output generated by an economy (whether committed by citizens of citizens or persons of other countries residing in the country). Understanding of Gross Regional Domestic Product according to the Central Bureau of Statistics is the value of production of goods and services produced in a certain region (region) within a certain time in one year.

2. Location Quotient Analysis

This analysis uses some data from Gross Regional Domestic Product (GRDP) of East Java Province, and GRDP per sector. In addition, PDRB is used from each regency and city per sector. GRDP is expressed in millions of rupiah. From the data of GRDP it can be known base sector and non-base from each regency/city. From the calculation results obtained, can be interpreted in two categories, namely: LQ <1 or LQ = 1 then the sector is not the base sector, if LQ> 1 then the sector is the base sector, expressed in percentage units.

3. Multiplier Effect Analysis

4. Local Tipology Analysis

The progress and economic growth of each region of each course is different. There are areas that are able to spur economic activity so that it can grow rapidly. On the other hand, there are also areas that cannot do much so that the economic cycle is stagnant at one point or even grow negative. To be able to compare the progress rate of a region with.

RESULT AND DISCUSSION

PDRB Gunung Anyar District

Table 1. Bruto regional domestic product on the basis of constant prices 2000 Sukolilo distric 2013-2014.

SECTOR/SUBSECTOR	2013	2014
1 Agliculture	28,727.47	28,796.80
2 Mining	–	–
3 Industry manufacture	372,948.92	390,042.04
4.Electric, Gas water	34,021.76	35,892.66
5. Buillding,Construction	144,790.84	160,946.76
6Trade, Hotel,Rest	718,440.68	779,876.64
7. Comucation,	180,994.16	198,255.71
8. Finance	363,000.32	381,080.21
9. Services	538,100.03	565,044.17
GDRP	2,381,034.17	2,539,934.99
Growth : 6,63 %		
Ppulation	101.856	104.893
Perkapita	23.376.470	24.214.520
Growth : 3,58%		

Analysis of LQ Distric Sukolilo and Gunung Anyar 2014

Table 2. GDRP dan LQ Sukolilo distric 2014

No.	Sector	GRDP sector in 2014 (Mill)		LQ	B/NB
		Surabaya	Sukolilo		
1	Agriculture	79.001,28	28.796,80	8.4	B
2	Mining	7.093,65	–	0	NB
3	Industry Manufacture	22.390.903,12	390.042,04	0.41	NB
4	Electric , gas, , Water	2.274.285,70	35.892,66	0.36	NB
5	Building, Contraction	7.400.100,11	169.946,76	0.54	NB
6	Trade, Hotel,	47.766.042,34	779.876,64	0.38	NB
7	Communication	13.160.461,86	198.255,71	0.35	NB
8	Finance	7.109.284,28	381.080,21	1.27	B
9	Services	8.950.129,55	565.044.17	1.50	B
		109.137.301,89	2.539.934,99		

Table 3. GDRP dan LQ Gunung anyar distric 2014

No.	Sector	GDRP sector in 2014 (JT)		LQ	B/NB
		Surabaya	Gunung Anyar		
1	Agriculture	79.001,28	2.40,970.00	151.8	B
2	Minning	7.093,65	00	0	0
3	Industry Manufacture	22.390.903,12	1.911.262	1.08	B
4	Electric, gas, water	2.274.285,70	17.749.99	0.37	NB
5	Building , Construction	7.400.100,11	51.201,97	0.34	NB
6	Trade, Hotel ,resto	47.766.042,34	437.042,94	0.45	NB
7	Communication	13.160.461,86	114.937,35	0.43	NB
8	Finance	7.109.284,28	51.618.62	0.35	NB
9	Services	8.950.129,55	456.877,79	2.54	B
		109.137.301,89	3.079.093,08		

Analysis

Mulitiplier analysis of persector effect can be seen by base sector and non-base because multiplier formulated Base sector sectors divided by Julha sector non Basis so it is found that this area multiplier less than 1 or more ofltiplier efec

Sukolilo distric

Sector Basis	Million Rupiah	Sector Non Basis	Million Rupiah
1.Agicultur	28.796,80	1.Minning	0
2.Finance	381.080.21	2.Industry manufacture	390.042,04
3.Services	565.044.71	3.Electric, Gas,water	35.892,66
4		4.Construction	169.946,76
5		5.Trade,Hotel,Rest	779.876,64
6		6.Communication	198.255,71
Total	9.749.204,72	Total	5.084.329,1
Multiplier efect	1.91		

From the above table it turns out multiplier Sukoliso district effect means more Base sector in Sukolilo district

Gununganyar Distric

Sector Basis	Million Rupiah	Sector Non Basis	Million Rupiah
1.Agriculture	2.40.970,00	1.Agriculture	0
2.Industry,	1.911.262	2.Electric,Gas,water	17.749,99
3.Services	456.877,79	3.Buillding,Construction	51.201,97
4		4.Trade,Hotel,resto	437.042,94
5		5.Communication,	114.937,35
6		6.Finances	51.618,62
Total	2.609.109,41	Total	672.550,6
Multiplier effect	3.87		

From the above table it turns out multiplier Sukolilo district effect means more. Base sector in the district of 7 Gununganyar analysis.

1. *Sukolilo distric*

Clasification by analisis Klassen with Tipologi

Y R	$y_i > y$	$y_i < y$ 3,58>3,95
$r_i > r$	Upper Growt Distric	Midle Growt Distric
$r_i < r$ 6,3<7,34	Under Presur distric	Under develope Distric

Description:

r_i : The rate of economic growth region i

y_i : Per-capita GDRP distric i

r : Growt reference region

y : Growth reference region

2. *Gununganyar distric*

Clasification with analysis of klassen typology

Y R	$y_i > y$	$y_i < y$ 1,72>3,95
$r_i > r$	Uper growth distric	Midle Grotwth distric
$r_i < r$ 4,4<7,34	Under Presur Distric	Under Developing distric

Description:

r_i : Growth distric i

y_i : Per-capita GDRP distric i

r : growth the region in the reference

y = GRDP the region in the reference

Anayisis Potential Sector economic in Sukolilo distric and Gunung Anyar district

Table 4. Resoulte Reacsert in Sukolilo and Gunung anyar distric

Analisis	Gunung anyar	Sukolilo
GRDP	Rp.3.079.093,08 Millon	Rp.2.539.934,99 Milion
Grwoth	4,40%	6,63 %
Kontribution sector	Industri 62,0 %	Trade, Hotel,Rest 30,64%
LQ BASIS	Agriculture	Agriculture
	Trade	Finances
	Services	Services
Multiplier effect	3,87	1,97
Tipologi	Kwadran IV Under developing	Kwadran I V Under Developing
Income perkapita	Rp.59.077.000,per people / year	Rp 24.214.521 per people/year
Population	52.120	104.893

Sukolilo distric more city from this new mountain sub district seen from virgin Contribution. Sector that is perdaganagan and gunganyar industrial sector, this is clearly the capital of Western Surabaya on the street Galaxi shopping complex Gununganyar sub-district still has large acreage for industrialization and housing The shops do not reflect the city, More residents in Sukolilo district. Economic sector contribution in sukolilo district is more evenly distributed, namely trade, financ and industry.LQ. Kec Gununganyar: Agriculture sector, Services, Trading, LQ Kec Sukolilo is sector: Agriculture, finance, services Multiplier: The Gununganyar is 3.87. District of Sukolilo amounted t 1.97 means that the value of base sector in Gunung anyar is bigger than sokolilo

CONCLUSION

This result of this research can be concluded that Sukolilo District is urban (Trade) and Gunganyar sub-district is industrial and agricultural (pond). The two sub-districts are still the undeveloped and non-prosperous areas Both

sub-districts are state universities (Sukolilo Sub district there are ITS and Gununganyar district Universitas Pembangunan Nasional "Veteran" Surabaya, East Java, Indonesia).

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