

## **ANALYSIS OF ECONOMIC GROWTH AND SHIFTING FIELD SECTOR EFFORTS IN THE CITY OF MAKASSAR**

### ***Analisis Pertumbuhan Ekonomi Dan Pergeseran Sektor Lapangan Usaha di Kota Makassar***

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#### **ABSTRACT**

This research aims to know the influence of the shift towards growth sectors GRP Makassar city and to know the dominant business field sector affect economic growth (GDP) in the city of Makassar. The analysis of the data used is shift share analysis assumes that the growth of a region can be divided in three components of the factor. The results of this research show that the sector of the field the most superior in the city of Makassar trading sector is where the sector contributes the largest economy in the city of Makassar.

**Key words:** growth, GDP and the Share Shift

**ABSTRAK:** Penelitian ini bertujuan Untuk mengetahui pengaruh pergeseran sektor terhadap pertumbuhan PDRB Kota Makassar dan Untuk mengetahui sektor lapangan usaha yang dominan mempengaruhi pertumbuhan ekonomi (PDRB) di Kota Makassar. Analisis data yang digunakan adalah shift share analisis mengasumsikan bahwa pertumbuhan suatu wilayah dapat dibagi dalam tiga komponen factor. Hasil dari penelitian ini menunjukkan bahwa Sektor lapangan usaha yang paling unggul di Kota Makassar adalah sektor perdagangan dimana sektor ini memberikan kontribusi terbesar pada perekonomian Kota Makassar.

**Kata Kunci :** Pertumbuhan, PDRB dan Shift Share

#### **I. INTRODUCTION**

Can economic development aimed at improving the welfare of the community, in order to improve the welfare of the required economic growth increases and income distribution that is evenly distributed. The problem of economic growth in an area depends on many factors like one is Government policy and national development planning strategy during this time focused on economic development activities undertaken through the efforts of increasing economic growth (economic growth).

One way to observe the economic growth is by wear indicators observation is the gross regional domestic product (GDP). GDP is seen as a very important economic indicator as well as having many benefits because it can illustrate the level of progress and economic development, advantages and weaknesses in the different sectors within

the structure of the economy. Rapid economic growth will affect inequality in income distribution. Moreover, with the enactment of ACT No. RI 32 and 33 the year 2004, the role of local government is very dominant in determining the sector policy so as to allow the regional imbalances occur happens. The rate of economic growth in the city of Makassar shows diverse levels and will have an impact to the regional imbalances.

If economic growth is a process of rising per capita output in the long run. Therefore, economic growth related to the increase in "per capita income". Here is obviously there are two sides that need taken care of, namely his side total output (GDP) and population of his side. Per capita output is the output of the total divided population. (The second term, 1991).

Therefore, required the study of economic factors in Makassar city to

support the acceleration of the growth factors and at the same time can be a reference City Government in planning a more directional economic development.

## II. REVIEW OF THE LITERATURE

### A. Understanding Economic Growth

Economic growth is the long-term ability of an economy to produce a wide range of goods and services for its residents and provides a better production technique in the process. The development includes economic growth, but also summarizes the factors that broader institutional changes such as giving the chance of occurrence of economic growth. It is that the role of economic growth is defined as an increase in the capacity of a nation long term to produce a variety of goods and services for its people. This capacity rests on the progress of production technology. Conventionally, the growth is measured by the rise in national income (GNI, GNP) per capita. Economic growth is indicated as per capita income are believed to encourage greater economic prosperity.

### B. THE CHARACTERISTICS OF MODERN ECONOMIC GROWTH

Modern economic growth is a sign of importance in the life of the economy. Prof. Simon Kuznets shows six traits of modern economic growth emerge in an analysis that is based on the product and its components, population, labor, and compatriots.

Economic development, economic growth, and economic development

The difference between growth and Development

Now from initially distinguish clearly between understand growth and understand development. Each contains a sense of meaning, implication and ramifikasi are different one from the other.

In this connection, the implications of which have been interpreted as implied in it is knotted, whereas ratification is concerned its influence extends in branches in a wide range of activities.

Economic growth is relevant-being relevant to the process of increasing production of goods and services in the economic activities of the community. It can be said that the growth concerns the development of a single prolific and measured with increasing output and income. In economic growth, usually when the production process that involves a number of types of production by using the means of a specific product

The construction of meaning. Increased production is indeed one of the staple in the development process. In the meantime, other than in terms of an increase in the production of quantitatively, the development process includes a change in the composition of production, changes in the pattern of uses of (allocations) resource production (productive resources) among the sectors of economic activity, a change in the Division of distribution of wealth and income among the economy, the changes in the institutional framework (institutional framework) in the life of society as a whole

The concept of Territorial Competitiveness and development of the region

Per definition, the concept of competitiveness expressed by some people and institutions in different ways. The difference is not apart from the view or the context of their examination. According to Porter (1990) that the concept of competitiveness that can be applied at the national level of productivity is defined as the value of output produced by

a person's labor.

The world stating things that drop in, namely the competitiveness refers to

the magnitude and rate of Peruvian ingredients added value per unit of that achieved by the company. Both the above definition recognizes that competitiveness is not narrowly limited to include only the level of efficiency of an enterprise (micro enterprises), but also includes aspects of outside companies such as the climate trying (business environment) which is a factor outside of a company like the climate trying (external) as aspects that are firm-specific, region-specific, or even country-specific.

### III. RESEARCH METHODS

#### Time and Research areas

As for the area where researchers do research i.e. Statistics Indonesia Makassar city and the province of South Sulawesi. The implementation of this study lasted six months i.e. March to August 2016. In this study used the following methods: documentation

Types of data used in this research is qualitative Data and data sources used are primary Data.

Analysis Method of Shift Share Analysis

Shift Share analysis introduced by Dunn in the year 1960. This analysis is in fact a relatively very simple technique in analyzing the changes in the structure of a local economy in relation to the underlying economy. The local economy can be a city or region, while the region see can be a province or nationwide. (Rahman, Z: 2008, Glasson, John: 1990)

Shift Share analysis recognizes the existence of a distinction and similarity between these regions. In this connection, shift Share analysis assumes that the growth of a region can be divided into three components, namely the factor components of National growth (National Growth Component), proportional growth

Components (Proportional Growth Component), and component the growth of competitiveness of the region (or regional Share Growth Differential Component).

Assumed income n sectors ( $i = 1, 2, 3, \dots, n$ ) from m district ( $j = 1, 2, 3, \dots, m$ ) in the provinces is the gross domestic production (GDP). It is assumed also  $Y_{ij}$  and  $Y'_{ij}$  is the gross regional domestic product (GDP) of the sector to the i in the County to j for the base and the year end. Notation – the notation and the calculations are arranged as follows:

$$Y_i = \sum_{j=1}^m Y_{ij} = \text{PDRB the base year to the } i \text{ sector } i=1$$

$$Y'_i = \sum_{j=1}^m Y'_{ij} = \text{PDRB the base year to the } i \text{ sector analysis } i=1$$

$$Y_{..} = \sum_{i=1}^n \sum_{j=1}^m Y_{ij} = \text{PDBR all sectors year basis } i=1 \quad j=1$$

$$Y'_{..} = \sum_{i=1}^n \sum_{j=1}^m Y'_{ij} = \text{PDBR end of year sector } i=1 \quad j=1$$

$r_{ij} = Y'_{ij} / Y_{ij}$  is the ratio between the GDP sectors to i j to the provinces year end and year of the basic.

$R_i = Y'_i / Y_i$  is the ratio between the PDBR to sector i to province j

Year end and year of the basic.

$R_a = Y'_{..} / Y_{..}$  is the ratio between the end of the year and year PDBR The base.

Using the notation – the notation and the assumptions above, changes to sector i income counties to j can be broken down into three components, according to equation (1) as follows.

$$Y'_{ij} - Y_{ij} = \Delta Y_{ij} = Y_{ij} (R_a - 1) + Y_{ij} (R_i - R_a) + Y_{ij} (r_i - R_i) \text{ Where}$$

$Y_{ij}$  = Change the revenues to the County to the  $i$  sector  $j$

$Y_i(Ra-1)$  = Change the revenues caused by components of the provincial growth.

$Y_{ij}(Ri-Ra)$  = Change in income caused by the proportional growth components.

$Y_{ij}(ri - Ri)$  = Change the revenues caused by the growth component competitiveness of regions.

In equation (1) divided by the result multiplied by 100 and  $Y_{ij}$  then retrieved the percentage change in income, as shown in equation (2) the following

$$Ri - 1 = (Ra - 1) + (Ri - Ra) + (ri - Ri)$$

$ri-1$  = percentage change in revenue to the County to the  $i$  sector  $j$

$Ra-1$  = Percentage change in revenue caused by regional growth components.

$Ri-Ra$  = Percentage change in revenue caused by the proportional growth components.

$ri - Ri$  = Percentage change in revenue caused by components

#### IV. RESULTS AND DISCUSSION

##### Economic Growth

One indicator to measure the success of the development of a region is through the Domestic Gross Regional Product (GRP). According to the Business Field so it can be it says that the rate of economic growth in the city of Makassar may be reflected from Makassar city GDP

**TABLE 1 Gross Regional domestic product on the basis of Constant prices of 2000 and the economic growth of the South Sulawesi city of Makassar and Years 2013-2016**

**Source: Central Bureau of statistics the city of Makassar, 2016**

Based on table 3 seen that economic growth fluctuate of Makassar city year 2012 amounted to 9.20 per cent and the year 2013 amounted to 9.83% and in 2014 economic growth decreased by 9.65 percent. Later in the year 2015 increase amounting to 9.88 percent and year 2016 dropped to 8.91 percent. From the table above, it can be seen that economic growth in the city of Makassar fluctuate.

##### The Structure of The Economy

The economic structure of the State of the region is very important to note, because this information can be known of the magnitude of the role of each sector of activity on the formation of the region's GDP. Following the structure of the economy and distribution of the percentage of GDP on the basis of Prevailing Prices Makassar city

Table 2 economic structure and GDP Percentage distribution of Values on the basis of Prevailing Prices Makassar city

##### Year 2012-2016

Years	CityMakassa		Sulawesi		Compar (2)/(4)
	PDR B	Growth (%)	PDR B	Growth (%)	
(1)	(2)	(3)	(4)	(5)	(6)
2010	16,25	9,83	51,20	8,19	31,74
2011	17,82	9,65	55,12	7,61	32,33
2012	19,58	9,88	59,71	8,39	32,79
2013	21,32	8,91	64,28	7,65	33,18

District/Cit y	2013		2016		Chang es
	Billion	%	Billion	%	
1	2	3	4	5	5-3
1.	256,5	0,82	321,3	0,55	-0,27
2.	2,94	0,01	1,432	0,00	-0,01
shaking					
3. Industry	6.484,	20,7	10.06	17,11	-3,63
4Electrical	560,8	1,79	975,1	1,66	-0,13

bersih					
5. Building	2.483,	7,94	4.621,	7,86	-0,08
6. traders	8.974,	28,7	17,27	29,38	0,68
Restaurant					
7.	4.356,	13,9	8.984,	15,28	1,35
Communic					
8.	3.179,	10,1	7.099,	12,07	1,9
Jasa					
9. Jasa	4.964,	15,8	9.462,	16,09	0,21
Total	31.26	100,	58.80	100,00	

**Data Source: Central Bureau of statistics, the GDP of the city of Makassar, 2016**

Table 4 The State of the economic structures of the year 2016 when compared with 2013 experienced a shift towards the tertiary sector where trade, finance and services has increased, i.e. the trade sector increased 0.68 percent, financial services and 0.21 percent 1.9 percent. In contrast to other sectors experienced a decline in the agricultural sector, i.e. down 0.27%, 3.63%, down industry electricity and clean water down 0.13 percent and transport and communication dropped 1.35 per cent.

Judging the role each sector against the formation of GDP Makassar city, it appears that the sector of economic activity of its contribution to GDP formation Makassar city in the year 2013 is the hotel and restaurant trade sector i.e. of 29.38 percent. While the second-order processing industry is a sector that is of 17.11 percent. Next is the sector of services of the transport sector 16.09 percent, and communications with the contribution of 15.28 percent, financial sector and contribution of rentals 12.07 percent, building sector of 7.86%, Electricity sector & clean water of 1.66 per cent agriculture 0.55% and last sector excavation 0.00 per cent. If the primary sector is grouped, its contribution of 0.55%, secondary sector of tertiary sector

29.33 percent and amounted to 69.92 per cent.

The structure of Activities in economic sectors in the city of Makassar, South Sulawesi, in relation to

The interconnectedness of the region between the cities of Makassar of South Sulawesi Province is forward linkages in the sense that the city of Makassar as the upstream sector produces various types of raw materials are sourced from agriculture, forestry and fishery, can be a raw material in the city itself and can also be the raw material for South Sulawesi area so that production of the agricultural sector in the city of Makassar is not reserved only in the city but already must take into account the needs of other regions , so as to encourage increasingly growing economic sectors in the city, while the backward linkages could be understood that with a great demand from other regions thus will encourage the growth of the production area of Makassar city and ultimately may encourage an increase in the gross Regional domestic product (GDP).

In general the products produced by the regions in the area of South Sulawesi, are strongly influenced by regional market demand, as well as the national market world market, so that even the Government of Makassar city it's time to think about mapping the potential of capital in relation to the resulting products of society, then do the cooperation between regions or districts in marketing such products or be able to access national and international markets so that products that are produced in the city of Makassar can sell in other regions as well as other districts in the province of South Sulawesi or at the national level and even at the level of global marketing.

Table 3. GRP Makassar city and South Sulawesi GRP Year 2013-2016

Business Field	PDRB Kota Makassar		PDRB Sulawesi Selatan	
	2013	2016	2013	2016
1.	256,59	321,39	28	44.162,
2.	2,945	1,423	5.503,7	11.063,
Excavation				
3. Industry	6.484,9	10.063,	12.514,	22.559,
4. Electric,	560,88	975,14	949,24	1.661,4
Clean Water				
5. Building	2.483,8	4.621,5	5.387,7	10.788,
6.	8.974,1	17.273,	16.690,	33.031,
Restaurant				
7. Anutan	4.356,4	8.984,4	7.953,9	14.867,
Communicat				
8. Finance,	3.179,7	7.099,1	6.241,5	14.584,
Services				
9. Services	4.964,0	9.462,3	16.704,	32.064,
P D R B	31.263,	58.802,	99.945,	184.783

**Data source: Central Bureau of statistics: GDP Makassar City Year 2016 and GDP of South Sulawesi**

Data table 3 into base or reference in analyzing economic growth economic growth against the city of Makassar of South Sulawesi, South Sulawesi is the economy (GDP) becomes reference in calculating Proportional growth component of the Regional economy (PR) National or Regional Share/Share, the calculation of the Proportional Growth (PP) or also called the Proportional Share of growth and calculation of the share of the territory (PPW), also called the Deferential Shift

It can be concluded that the decline in some sectors contributing to GDP, such as: agriculture, mining sector, electricity and gas sector, and building. While a relatively constant in sectors contributing to GDP was the financial sector, rents, housing, services sector & transport and communication. The sector that

experienced an increase in contribute is a sector; trade and the processing industry sector

## V. CONCLUSIONS AND SUGGESTIONS

### CONCLUSION

Based on the discussion and analysis of the research can be summed up in a few things as follows:

GDP growth in Makassar city experienced a shift in 2016 with the growth of the processing industry sector 17.11%, trade, hotel and restaurant growth 29.38%, transport and communications sectors with growth 15.28% as well as the services sector 16.90%.

Sector field the most unggul in the city of Makassar trading sector is where the sector contributes the largest economy in the city of Makassar. In the year 2013 the value added in trade sector contributed Rp 8,974.100 billion or about 28.10% and in the year 2013 rose to Rp. 127,273.904 billion or of 29.38 percent.

#### Advice

From the results of the discussion and the conclusions made, then it can be suggested a few things as follows:

To encourage regional economic growth in the city of Makassar, the Government is expected to pay close attention to the business field sector grow slower to do the push against the sector, both in the policy and rules, as well as the implementation of the rules and policies of the Government of the city of Makassar, the provincial government even Central Government.

To promote the agricultural sector in the future, which is marked with the value component Proportional Growth (PP) a result, local governments need to restructure and strengthen agribusiness system that runs now

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