Sectoral Classification and Inequality of Kedungsepur National Strategic Area of Central Java Province

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A B S T R A C T

This study examines the sectoral classification and economic inequality in the KEDUNG-SEPUR National Strategic Area (KSN), Central Java, which covers six districts/cities. The analysis was conducted using Location Quotient (LQ), Dynamic Location Quotient (DLQ), Klassen Typology, and Williamson Index methods. The results show that the leading sectors vary across regions, such as agriculture and processing industry in Kendal, government administration in Demak, and financial services in Grobogan. Semarang City is the center of fast growth, while other regions are relatively underdeveloped. The trend of economic inequality among regions shows an increase over the 2019-2023 period. Therefore, a focused development strategy based on "integrated spatial-thematic" is recommended, namely strengthening local leading sectors through inter-regional collaboration, improving infrastructure connectivity, and affirmative policies based on regional potential. This strategy is expected to encourage inclusive economic growth and reduce the development gap in a sustainable manner in KSN KEDUNGSEPUR.

Keywords: *Economic Growth, KSN KEDUNGSEPUR, Leading Sector, Regional Inequality*
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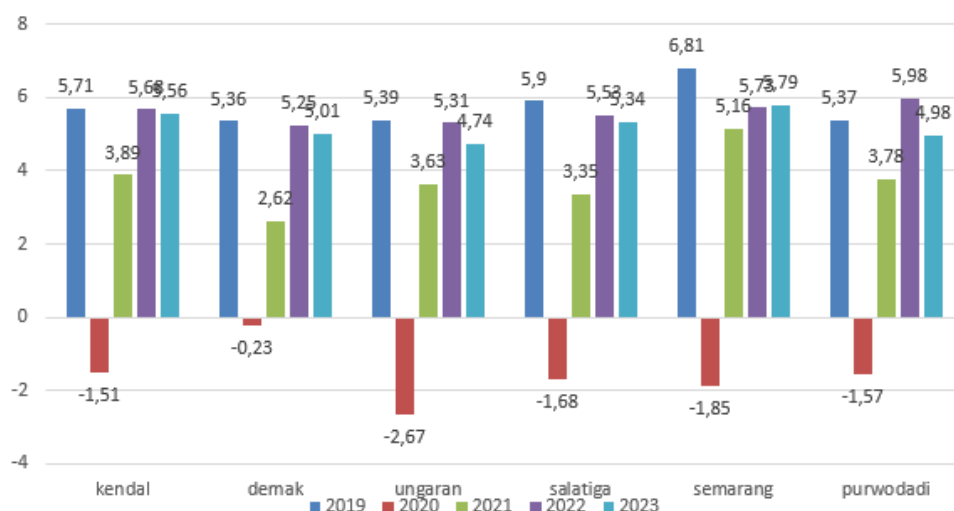E-mail: ari.aw971@gmail.com

INTRODUCTION

Economic development is a continuous effort to improve people's lives, in line with the goal of economic activity, namely public welfare (Zumaeroh & Prabawa, 2020). The economic prosperity of residents in a region can be improved. This then increases the competitiveness of the community both locally and nationally as a whole (Pribadi, 2021). The problem of uneven regional development still exists, it is inseparable from the main problems of various regions, also one way to pursue economic growth as well as equitable development is to intensify regional development through leading sectors (Dzikri Ainun Fazaa, Dwi Susilowatib, 2023). Therefore, research on exploring quadrants in the KEDUNGSUPUR National Strategic Area (KSN) (Kendal, Demak, Ungaran, Salatiga, Semarang, and Purwodadi) in Central Java is needed.

Gross Regional Domestic Product can be seen as a macroeconomic indicator to determine the level of economic growth of a region The measure of success of economic growth is the improvement of people's welfare and the achievement of sustainable regional development (Taufiqqurrachman & Jayadi, 2023). Rapid economic growth is not the result of a series of policies made to facilitate rapid growth. Therefore, what is important to do and pay attention to is how to accelerate economic growth through various development policies (Didia, 2016).

Figure 1 shows that economic growth in the districts and cities in the KSN KEDUNGSEPUR region during 2019 to 2023 experienced quite diverse dynamics. Throughout this period, all regions in the region recorded positive economic growth, except in 2020 which experienced a sharp contraction due to the impact of the COVID-19 pandemic. Entering 2021, conditions began to improve and economic growth returned to a positive direction. This change in growth rate was influenced by the various contributions of 17 business fields to the Gross Regional Domestic Product (GRDP). For example, the trade and tourism sectors experienced a drastic decline in 2020, while the agriculture and industry sectors tended to be more resilient. This underscores the importance of economic diversification and the resilience of various sectors in the face of unforeseen external disruptions, such as the pandemic, in order to realize sustainable economic growth.

Source: Central Bureau of Statistics, processed

Figure 1.
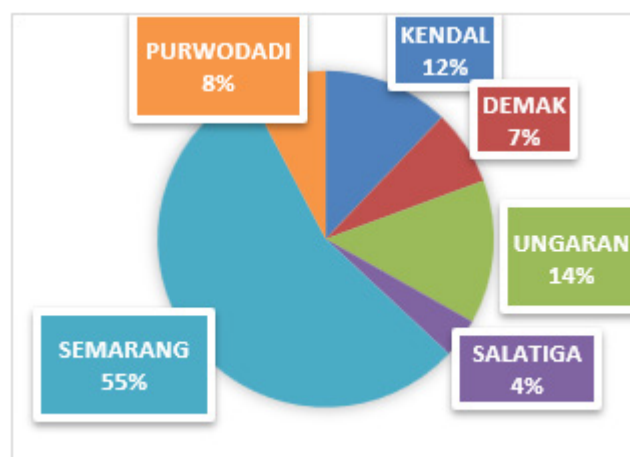**Economic Growth of KEDUNGSEPUR KSN District/City (2019-2023)**

The neoclassical economic growth model proposed by Solow states that the supply of capital and labor and the assumption that production has a constant rate of return are things that affect the size of output (Marsus et al., 2020). Public welfare and economic growth are components to improve the welfare of the population as measured by GRDP per capita. The high level of economic growth is indicated by the high value of GRDP which has progressed in the economy (Winarni et al., 2023).

Figure 2 depicts the GRDP of the KSN Kedungsepur districts/cities from 2019 to 2023 highlighting the distribution of Gross Regional Domestic Product (GRDP) in the Kedungsepur KSN region, which shows that Semarang City has the largest share (55%), followed by Ungaran Regency (14%), Kendal Regency (12%), Purwodadi Regency (8%), Demak Regency (7%), and Salatiga City (4%). This distribution reflects the relative economic weight and productivity of each regency and city in building the overall regional economy. Semarang City's sizable contribution reflects its dominant role in the regional economy, while Ungaran, Kendal, Purwodadi, and Demak also make sizable contributions, and although Salatiga City has the smallest contribution, it still plays a significant role in the context of the regional economy. Overall, the distribution of GRDP provides a comprehensive picture of the structure of the regional economy and the importance of each region in building the regional economy as a whole.

A high GRDP in a region indicates that the region has a good economy. Conversely, a low GRDP of a region indicates that the region's economy is not in good shape. The economy in question is an economy that can support people's lives so that poverty does not occur. The GRDP of a region is said to be high if the region can optimize the potential of its own region by utilizing adequate facilities and infrastructure. High GRDP will reduce the poverty rate, because with high GRDP, development can be optimized, so that community welfare is achieved. Conversely, a low GRDP will increase the amount of poverty in the community, because the development carried out in the welfare of the community is not optimal (Damanik & Sidauruk, 2020).

KEDUNGSEPUR KSN GRDP in the business field as a source of GRDP income is detailed in 17 sectors. The 17 sectors are 1) Agriculture, Forestry and Fisheries, 2) Mining and Quarrying, 3) Processing Industry, 4) Electricity and gas

Source: Central Bureau of Statistics, processed
Figure 2.
GRDP of KEDUNGSEPUR KSN District/City

supply, 5) Water supply, waste management, waste and recycling, 6) Construction, 7) Wholesale and retail trade; Repair of cars and motorcycles, 8) Transportation and warehousing, 9) Provision of accommodation and eating and drinking, 10) Information and communication, 11) Financial and insurance services, 12) Real estate, 13) Corporate services, 14) Public administration, defense and compulsory social security, 15) Educational services, 16) Corporate services, and 17) Other services (Koerniawan & Tallo, 2020).

In an effort to improve economic equality and reduce disparities between regions, it can be done by analyzing or exploring potential sectors to be developed. Potential sectors are those that have comparative advantage and competitive advantage. Comparative advantage refers to sectors that can fulfill domestic needs and export the rest to other regions, while competitive advantage refers to sectors that have competitiveness in the market. Thus, by encouraging these potential sectors, it is expected to reduce inequality and encourage economic growth between regions in the KEDUNGSEPUR Region. Therefore, this study tries to classify the pattern of economic growth, analyze the level of inequality of regional development and identify sectors that become leading sectors to spur regional economic growth in the KEDUNGSEPUR Region (Majiid & Woyanti, 2023).

This research will focus on determining quadrants in sectors in each district / city included in the KEDUNGSEPUR National Strategic Area which has its own spatial layout regulated in the Presidential Regulation of the Republic of Indonesia Number 60 of 2022, the purpose of determining KSN is to improve activity center services, improve the quality and range of infrastructure network services. However, the establishment of KSN KEDUNGSEPUR aims to optimize protected areas and cultivated areas based on the carrying capacity and capacity of the environment (Perpres, 2022).

From the quadrant, it can be seen which sectors are superior sectors, superior sectors are sectors that have comparative advantages and competitive advantages that can spur regional economic growth (Saputra et al., 2023). This study identifies economic inequality in KSN KEDUNGSEPUR but has not conducted an in-depth analysis of the causal factors, policies implemented, or the impact of leading sectors on the regional economy.

New research is needed that focuses on analyzing the determinants of inequality, evaluating inequality alleviation policies, the impact of leading sectors, sector development in the longer term and the role of infrastructure on economic growth and equitable development in KSN KEDUNGSEPUR. With a more comprehensive and in-depth analysis, it is expected that this new research can provide more comprehensive insights to support sustainable economic development in the region.

There are several studies that are relevant to this research, research conducted by (Sanditia et al., 2017) With the title Disparity Analysis of Per Capita Income with a Sectoral Approach Between Kedungsepur Regions in 2010-2017, this study revealed a fairly high disparity in per capita income in the Kedungsepur region, Central Java, with the Williamson index showing an average disparity of 0.8368 from 2010-2017 which indicates unequal income in the region. Location Quotient (LQ) analysis identified 9 economic sectors that cause disparities, which are concentrated in several districts/cities and contribute to disparities in per capita income. Research conducted (Suseno, 2015) With the title Regional Development Based on Economic Growth Typology and Sectoral Inequality in Kedung Sepur Area, this study identifies economic inequality in KSN KEDUNGSEPUR but has not analyzed in depth the factors that cause it, the policies applied, the

impact of leading sectors, sector development in the long term, and the role of infrastructure in economic growth and equitable development. Research conducted (Didia, 2016) with the title Analysis of Development Inequality in the KEDUNGSEPUR Area, this research identifies economic inequality in KSN KEDUNGSEPUR but has not analyzed in depth the factors that cause it, the policies applied, the impact of leading sectors, sector development in the long term and the role of infrastructure in economic growth and equitable development. Research conducted (Dzikri Ainun Fazaa, Dwi Susilowatib, 2023) This study identifies income inequality, leading economic sectors, policy analysis, leading sector development, and the role of infrastructure in the context of Central Java's KEDUNGSEPUR KSN. Although the level of income inequality in 2013 was still low, it tended to increase in subsequent years, indicating a challenge to achieve better income equality in the region. In addition, this journal identifies leading economic sectors without analyzing their positive and negative impacts on the regional economy and society. Policies implemented to reduce economic inequality also need to be further evaluated to ensure their effectiveness.

The update of this study is to use four variables namely PBRB, Economic Growth, Per Capita Income and Total Population in KSN KEDUNGSEPUR, by using three analyses namely Location Quotient (LQ) to identify leading sectors, Dynamic Location Quotient (DLQ) to analyze the development of leading sectors, Klassen Typology to classify the pattern of economic growth in each district/city and Williamson Index to determine the level of inequality in KSN KEDUNGSEPUR. Using the latest data from the Central Bureau of Statistics (BPS) for the 2019-2023 period, this journal provides an up-to-date overview of the sector classification and economic inequality in the KEDUNGSEPUR region, highlighting the importance of inter-region-al collaboration in utilizing sectoral advantages to promote more equitable economic growth. It also discusses the impact of leading sectors and the role of infrastructure on economic growth, and provides more specific and targeted policy recommendations. The journal also deepens the analysis of the determinants of inequality, evaluates inequality reduction policies and the impact of leading sectors on the regional economy and society, and extends the analysis of leading sector development over a longer period of time.

METHODOLOGY

This research was conducted in the kedungsepur national strategic area (kendal, demak, ungaran, salatiga, semarang, purwodadi), the district / city is part of the KSN kedungsepur which has been stipulated in the Indonesian presidential regulation number 60 of 2022. relevant and insightful analysis of economic growth, sectoral dynamics, and regional inequality in strategic areas in Central Java Province, using the latest data to reflect current challenges and opportunities. this research uses secondary data from the Central Bureau of Statistics for the period 2019-2023. The last 5 years of data can illustrate the current state of sector classification and economic inequality in the Kedungsepur region. The data for the last five years is considered representative enough to illustrate the economic trends and dynamics in the region. This research uses three analysis methods, namely

Location Quotient (LQ) Analysis

Location Quotient (LQ) analysis is used to determine the economic base (base sector) as a first step to identify the leading economic sectors of a region that have a significant effect on development. This analysis technique is used to determine the leading sector that is expected to drive growth and how much influence it has on other sectors whose output is used as input in the production process (Tau-

fiqqurrachman & Jayadi, 2023). This theory states that the main determinant of economic growth in a region is directly related to the demand for goods and services from outside the region. Industrial growth that uses local resources, including labor and raw materials for export will generate regional wealth and create opportunities for job creation (Jumiyanti, 2018). The analysis technique in this study is used to see, examine and describe with numbers about the object under study to obtain conclusions that are in accordance with the phenomena in the research conducted (Saputra et al., 2023). The Location Quitient (LQ)

$$LQ = \frac{Xij/Xj}{Xiy/Xy}$$

where LQ is location quotient (LQ), Xij is GRDP of sector i in Kendungsepur KSN district/city, Xj is Total GRDP of Kendungsepur KSN districts/cities, Xiy is GDP sector i of Central Java Province, Xy is total GRDP of Central Java Province

This analysis was used to process data from districts/cities located in KSN KEDUNGSEPUR (Kendal, Demak, Semarang Regency, Grobogan, Salatiga, Semarang City). The value of the Location Quotient (LQ) analysis results is if LQ > 1 means that the contribution of the business sector in the selected region is greater than the level of the region used as a comparison area (relative specialization). If LQ < 1, it means that the contribution of the business sector in the selected region is smaller than that of the region used as a comparison region

(production delicit). If LQ = 1, it means that the contribution of business sectors in the selected region is equal or balanced or it can be interpreted that there is no bigger or smaller when compared to the level of the region used as a comparison area.

Dynamic Location Quotient (DLQ)

To find out which food commodities are classified as staple or non-staple, it can be seen by using Dynamic Location Quotient (DLQ) so that it can be prioritized in potential development in KSN KEDUNGSEPUR (Sihombing, 2018).

$$DLQ = \left[\frac{(1 + Xij)/(1 + Xj)}{(1 + Xiy)/(1 + Xy)} \right]^{t}$$

where DLQ is dynamic location quotient (DLQ), Xij is average economic growth of sector i in Kendungsepur KSN kabupatens/cities, Xj is average total economic growth of Kendungsepur KSN kabupatens/cities, Xiy is average economic growth of Central Java Province, Xy is total average economic growth of Central Java Province

Dynamic Location Quotient (DLQ) value is a value where if DLQ > 1 means the sector contribution of the selected region is greater than the sector contribution of the comparison region (prospective). If DLQ < 1 means that the contribution of the selected region's sectors is smaller than the contribution of the comparison region's sectors (not prospective).

Location Quitient (LQ) Quadrant

The resulting LQ and DLQ values are combined into one so as to produce a quadrant of ADHK GRDP 17 business

Table 1.
Location Quitient (LQ) Sector Classification

	SLQ > 1	SLQ < 1
DLQ > 1	LEADING SECTOR	POTENTIAL SECTORS
DLQ < 1	EMERGING SECTORS	LAGGING SECTORS

fields and Economic Growth, the value of specialization is relatively prospective to become a quadrant of the mainstay sector with LQ>1 & DLQ>1, relative specialization is not prospective to be the mainstay sector quadrant with LQ relative specialization is not prospective to be the mainstay sector quadrant with LQ>1&DLQ<1, prospective production delicit to be the potential sector quadrant with LQ<1&DLQ>1 and unprospective production delicit to be the lagging sector quadrant with LQ>1&DLQ>1.

Klassen Typology

Klassen Typology Analysis is an analysis that can classify sectors contained in economic factors into several categories. This analysis uses a sectoral approach that is used to classify sectors that become leading sectors in a region (Magfiroh et al., 2022). This analysis is obtained from a regional approach, each of which has different characteristics of economic growth and per capita income to be classified based on typological classification (Iswanto, 2015). With this analytical tool, four characteristics of regional patterns and structures can be obtained, including: fast developed and fast growing regions, fast developing regions, developed but depressed regions, and relatively underdeveloped regions (Laratmase, 2019).

provincial GRDP per capita

The Klassen Typology classification is divided into 4, including fast developed and fast growing regions (Ri>R & Yi>Y) which means that the Regency / City area has a higher economic growth rate and per capita income than the provincial average, developed but depressed regions (Ri<R & Yi<Y) which means that the Regency / City area has a higher per capita income but its economic growth rate is lower than the provincial average and relatively underdeveloped regions (Ri<R & Yi<Y) which means that the Regency / City area has a lower economic growth rate and per capita income than the provincial average, fast-growing regions (Ri>R & Yi<Y), meaning that the districts/cities have a higher growth rate but lower per capita income than the provincial average, and relatively underdeveloped regions (Ri<R & Yi<Y), meaning that the districts/cities have a lower economic growth rate and per capita income than the provincial average.

Williamson Index Analysis

Regional inequality is one of the problems that arise in development and what is usually discussed is economic inequality, economic development inequality will naturally occur in the process of economic development along with differences

Table 2.
Descriptive Analysis

	Yi > Y	Yi < y
Ri > R	Fast Developing & Fast Growing Regions	Fast Developing Region
Ri < R	Developed but Depressed Region	Relatively Underdeveloped Areas

wherw Ri is district / city economic growth rate, R is provincial economic growth rate, Yi is GDP per capita of district / city, Y is

in natural resources and infrastructure owned by each region (Iswanto, 2015). According to Jonathan Haughton & Sha-

hidur R. Khand, inequality is the uneven development of regions or community development, causing economic inequality and oppression from the powerful (Maliki & Hurriati, 2022). Inequality between regions is an aspect that occurs in the activities of a region, one of the benchmarks for assessing the inequality of a region is the Williamson Index (Yoda & Febriani, 2019). The Williamson Index uses Gross Regional Domestic Product (GRDP) per capita as basic data. The level of development between regions that is compared is not the level of prosperity between groups (Nurfifah et al., 2022). The williamsom index is an analysis used to determine the inequality that occurs in the KEDUNGSEPUR KSN of Central Java Province.

$$IW = \frac{\sqrt{\sum(Yi - Y)^2 \, Fi/n}}{Y}$$

where IW is williamsom index, Yi is GRDP per capita in Kendungsepur KSN district/city, Y is GRDP per capita in Central Java Province, Fi is total population in Kendungsepur KSN regencies/cities and N is total population in Central Java Province.

The value of the Williamsom Index analysis measures economic inequality between regions if IW < 0.3 means economic inequality in the KSN KEDUNGSEPUR region is low, IW < 0.3-0.05 means economic inequality in the KSN KEDUNGSEPUR region is moderate, IW > 0.5 means economic inequality in the KSN KEDUNGSEPUR region is high (Iswanto, 2015).

RESULTS AND DISCUSSION
Location Quotient (LQ) Analysis

Table 3 explains that based on the results of the Location Quitient (LQ) analysis calculation, it shows that of the 17 business fields in the KSN KEDUNGSEPUR Regency / City in the 2019-2023 period, there are 4 leading sectors that can provide an overview of the developing sectors and contribute to the economy in KSN KEDUNGSEPUR. Kendal Regency: Agriculture, Forestry and Fisheries sector and Processing Industry sector. Demak District: Government Administration, Defense and Compulsory Social Security sector. And Grobogan District (Purwodadi): Financial Services and Insurance sector. With the existence of 4 leading sectors in KSN KEDUNGSEPUR, it is expected to be a supporting system in the development of other business sectors, especially in the KSN KEDUNGSEPUR area.

Kendal's Agriculture, Forestry, and Fisheries sector is still the mainstay of employment in Kendal. In 2023, this sector grew by 2.91 percent, driven by increased production of Livestock (especially eggs and large/small livestock) and Plantation Crops (coffee and tobacco). However, growth was held back due to contraction in Food Crops and Fisheries, which were affected by El Nino, bad weather, high waves, and flooding in 7 sub-districts that disrupted the production of bps kendal fish ponds. Not only the Agriculture, Forestry, and Fisheries sector, but the Manufacturing Industry sector is the main sector in Kendal Regency, contributing an average of 42.01% to the economy over the past five years. This sector is strengthened by the existence of Kendal Industrial Estate (KIK) in Kaliwungu and Brangsong sub-districts. In 2023, the sector grew by 4.4%, mainly driven by the Food and Beverage Industry as well as increased activity of export companies in KIK, which was awarded as the best new industrial estate 2023. The Manufacturing Industry supports almost 50% of Kendal's economic structure, and has continued to grow since recovering from the impact of the pandemic in 2020 (Central Bureau of Statistics kendal, 2024).

The Government Administration, Defense, and Compulsory Social Security sector in Demak Regency showed positive performance with 5.42 percent growth in 2023, higher than the previous year (2.62

Table 3.
The Results of the Location Quitient (LQ) analysis

Business Field	Kendal	Demak	Ungaran	Salatiga	Semarang	Purwodadi
			District/City			
A	Leading Sector					
B						
C	Leading Sector					
D						
E						
F						
G						
H						
I						
J						
K						LEADING SECTOR
L						
MN						
O		LEADING SECTOR				
P						
Q						
RSTU						

Source: Central Bureau of Statistics, processed

percent). Value added at current prices reached 989.08 billion rupiah, and at constant prices 640.93 billion rupiah. The sector's contribution to the Demak economy stabilized at around 3 percent during the 2019-2023 period (Central Bureau of Statistic Demak, 2024).

The services and insurance sector has played an important role in the economy of Grobogan Regency over the past five years, remaining relatively stable at around 4 percent. Meanwhile, the growth rate has fluctuated over the past five years. In 2021-2022, growth slowed down and then accelerated again in 2023 with growth of 4.83 percent (Central Bureau of Statistics Grobogan, 2024).

Klassen Typology

Based on the results of the Klassen typology analysis in Table 4 above, the KSN KEDUNGSEPUR region is classified as a sectoral classification of fast developing & fast growing regions, developed but depressed regions and relatively underdeveloped regions. Fast Developing & Fast Growing Region is Semaran, with high economic growth and large contribution to GRDP. This indicates that Semarang has strong economic competitiveness and is in an accelerated phase of development. Adequate infrastructure, dominant industrial and service activities, and bureaucratic efficiency are the main supporting factors.

The Developed but Depressed Region is Salatiga, which has a developed economic structure, but its growth is slowing down. This indicates stagnation or pressure in the local economic dynamics, which requires revitalization strategies, such as increased investment and economic sector diversification.

Relatively Underdeveloped Areas include Kendal, Demak, Ungaran, Purwodadi. These four regions still face challenges in increasing productivity and contribution to the regional economy. Their growth

rates and sectoral contributions are relatively low, indicating the need to strengthen local leading sectors, improve basic infrastructure, and improve the quality of human resources to encourage accelerated development.

inequality increased from year to year until in 2023 it amounted to 0.00096 which is the highest inequality in KSN KEDUNGSEPUR.

There are results of previous studies related to the KEDUNGSEPUR National

Table 4.
Klassen typology of KEDUNGSEPUR KSN Districts/Cities

	Yi > Y	Yi < y
Ri > R	Fast Developing & Fast Growing Regions -Semarang	Fast Developing Region
Ri < R	Developed but Depressed Region -Salatiga	Relatively Underdeveloped Areas -Kendal -Demak -Ungaran -Purwodadi

Source: Central Bureau of Statistics, processed
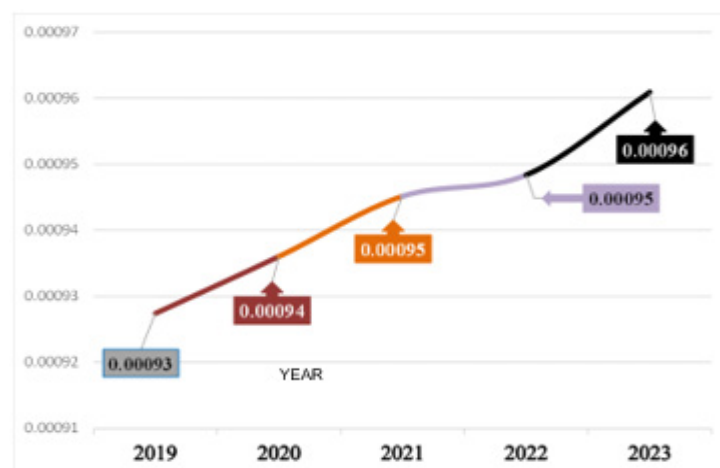
Williamson Index

Figure 3 explains based on the results of the Williamson Index analysis in KSN KEDUNGSEPUR for 5 years starting from 2019-2023, it shows negative results where there is an increase in inequality between regions in KSN KEDUNGSEPUR from 0.00093 to 0.00096 percent.

Inequality between regions that occurred in KSN KEDUNGSEPUR has increased over the last 5 years, namely 2019-2023, identifying that the process of equitable development between 6 districts / cities that have differences in natural resources, labor skills, technology and other capital accumulation which can result in differences in regional economic growth rates. Government efforts in overcoming inequality can be said to be successful but not perfect because there is still uneven development. It can be seen in the figure above that inequality in KSN KEDUNGSEPUR in 2019 amounted to 0.00093 in that year there was a fairly low inequality and

Strategic Area (Suseno, 2015) The study classified the KEDUNGSEPUR region based on a typology of economic growth and sectoral inequality. The results show variations between districts and cities, with some regions having above or below average economic growth and sectoral inequality. Economic development strategies are tailored to the classification of the region, focusing on economic growth, sectoral income equalization, or maintenance of good conditions. Theories used include the Kuznets Hypothesis, Export Base Model, Interregional Income Model, and Location Theory. General policies include strengthening economic growth and reducing inequality, while specific policies are tailored to the characteristics of each region. Sustainable development strategies are also emphasized to create sustainable economic growth, improve the quality of human resources, and strengthen governance. With the implementation of appropriate strategies, it is expected that the de-

velopment of the KEDUNGSEPUR region can take place in an inclusive and sustainable manner. Research conducted (Dzikri Ainun Fazaa, Dwi Susilowatib, 2023) with the study results classifying the KEDUNGSEPUR region based on a typology of economic growth and sectoral inequality. It shows variations between districts and cities, with some regions having above or below average economic growth and sectoral inequality. Economic development strategies are tailored to the region's classification, focusing on economic growth, sectoral income equalization, or maintenance of good conditions. Theories used include Kuznets Hypothesis, Export Base Model, Interregional Income Model, and Location Theory. General policies include increasing economic growth and reducing inequality, while specific policies are tailored to the characteristics of each region. Sustainable development strategies emphasize sustained economic growth, improving the quality of human resources, and strengthening governance. With the implementation of the right strategy, it is expected that the development of the KEDUNGSEPUR region can take place in an inclusive and sustainable manner. Research conducted (Sanditia et al., 2017) with the results of the study revealing high disparities in per capita income in the KEDUNGSEPUR area, with an average Williamson index of 0.8368, indicating income inequality. The identification of 9 economic sectors that play a role in per capita income disparity includes the construction sector, information and communication, and health services. The importance of regional cooperation between KEDUNGSEPUR regions to improve competitiveness and reduce disparities is highlighted. Theories used include Regional Economy, Inequality, Regional Cooperation, and Location. Recommended policies include increased regional cooperation, investment and infrastructure, and human resource development. Specific strategies include leading sector development, improved access to capital, and social assistance programs. With a focus on sustainable business models and ongoing monitoring, it is expected to reduce income disparities and improve community welfare in the KEDUNGSEPUR region. Research conducted (Ni'mah, 2018) with the study results noting an increase in the number of attractions, labor, and income of the tourism sector in the KEDUNGSEPUR area, but the sector's contribution to GRDP decreased. SWOT analysis places tourism sector development in quadrant III, requiring a Turn Around strategy. Theories used

Source: Central Bureau of Statistics, processed
Figure 3.
Williamson Index of KEDUNGSEPUR KSN Districts/Cities

include SWOT, AHP, Regional Economy, and Public-Private Partnership. Policy recommendations include increasing PPP cooperation, investment, human resource quality, leading sector development, capital access, and social assistance programs. A focus on sustainable business models, monitoring, and evaluation is expected to improve the performance of the tourism sector and community welfare in KEDUNGSEPUR. Research conducted (Didia, 2016) This study highlights the high development inequality in the KEDUNGSE-PUR area, finding that investment, Human Development Index (HDI), Labor Force Participation Rate (TPAK), and population have an effect on inequality. While there is Sigma and conditional convergence, there is no absolute convergence. Policy recommendations include an increased role of government in encouraging investment, attention to human capital development, population structure, and accelerated economic growth in underdeveloped regions. Using Neoclassical, Endogenous Growth, Tambunan, and Neo Marxist theories, this journal concludes the need for action to reduce inequality and accelerate convergence in the KEDUNGSEPUR Region.

This research recommends policies and strategies for the KEDUNGSEPUR Region including increased collaboration between regions to utilize their respective leading sectors, leading sector development strategies, equitable development policies, increased investment and infrastructure, human resource development, sustainable business model development, continuous evaluation monitoring, and cooperation with the private sector. With several theories used such as Location Quotient (LQ) to identify base sectors, Dynamic Location Quotient (DLQ) to analyze the development of leading sectors, Klassen Typology to classify economic growth patterns in each district/city, and Williamson Index to measure economic inequality between regions. These theories provide a comprehensive analytical foundation in understanding the leading economic sectors, economic development, growth patterns, and inter-regional inequality in the KEDUNGSEPUR Region. Inequality theory according to Jonathan Haughton & Shahidur R. Khand, inequality is the uneven development of regions or community development that causes economic disparity and oppression from the powerful (Maliki & Hurriati, 2022). Jonathan Haughton & Shahidur R. Khand's theory of inequality, which highlights the uneven development of regions and communities resulting in economic disparity and oppression, can be synchronized with the real situation in KSN KEDUNGSEPUR, Central Java. Differences in leading sectors, uneven economic growth, and increasing economic inequality between regions illustrate the existence of fundamental inequality. This reflects the importance of formulating policies that favor the alleviation of inequality, equitable development, and empowerment of underdeveloped areas in KSN KEDUNGSE-PUR to achieve inclusive and sustainable growth.

CONCLUSIONS

Based on the results of data processing from 3 analytical tools, the Location Quotient (LQ) analysis shows that each Regency / City has a different leading category sector so that this condition will be very beneficial for KSN KEDUNGSEPUR to complement each other's shortcomings. Kendal Regency: Agriculture, Forestry and Fisheries sector and Processing Industry sector. Demak Regency: Government Administration, Defense and Compulsory Social Security sector. And Grobogan District (Purwodadi): Financial Services and Insurance sector. Semarang Regency (Ungaran): not a single sector is categorized as a leading sector. Salatiga City: none of the sectors are categorized as leading sectors. Semarang City: none of the sectors are related to the leading sector category.

The Klassen Typology analysis results in 6 districts/cities in a good quadrant in Quadrant I, namely Semarang City, but there are large gaps in quadrants III and IV, namely the Fast Developing & Fast Growing Regions: Semarang City, Fast Growing Region: none of the districts/cities in KSN KEDUNGSEPUR, Advanced but Underdeveloped Region: Salatiga City, Developed but Distressed Region: Kendal Regency, Demak Regency, Semarang Regency (Ungaran), Grobogan Regency (Purwodadi). The inequality that occurs in KSN KEDUNGSEPUR is increasingly evident from the Williamson Index analysis from 2019-2023, which continues to experience an increase in the percentage of inequality and is still in the high category. Based on the results of the discussion that has been described, it can be recommended to further researchers to focus more on the factors that cause higher inequality between districts / cities in KSN KEDUNGSEPUR and how a region and maximize all the potential of its sectors to become superior.

Suggestions for the KEDUNGSEPUR KSN Government to focus on reducing regional inequality through collaborative strategies between regions by utilizing the sectoral advantages of each region. The government should further encourage the integration of local potential-based development with economic innovation and increased competitiveness. In addition, it is necessary to study the factors that cause inequality and formulate targeted affirmative policies so that development in the region is more equitable and sustainable.

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