MediaTrend 20 (1) 2025 p. 74-96
Media Trend
Berkala Kajian Ekonomi dan Studi Pembangunan
http://journal.trunojoyo.ac.id/mediatrend

Regional Inequality and Classification of Leading Sectors Economy Province Nusa Tenggara Timur

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Article Information

History of article:
Received October 2024
Approved March 2025
Published March 2025

ABSTRACT

This paper aims to examine economic inequality and identify leading sectors in 10 districts/cities in NTT Province in order to formulate policies that can encourage inclusive and sustainable economic growth. This study uses annual panel data from 10 districts/cities in Nusa Tenggara Timur Province in the period 2019-2023, with data analysis techniques using the Williamson Index, Location Quotient (LQ), and Klassen Typology to measure development inequality, basic sectors, and economic growth patterns between regions. This study uses the Stata 16 and MS. Excel 2011 analysis tools. The results of this study indicate that although several regions in NTT, such as Kupang City, show rapid economic growth and are in the developed region quadrant, most other districts/cities are still lagging behind in terms of development and economy, with non-basic sectors that have not yet developed significantly, as well as uneven distribution of wealth and infrastructure access.

Keywords: *Regional Disparities, Economic Growth, Potential Sectors, Class Typology*
JEL Classification Code: *D63 O4 P25 R53*

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DOI: http://dx.doi.org/10.21107/mediatrend.v20i1.27804

INTRODUCTION

Indonesia, which is rich in natural resources and culture, continues to accelerate its economic growth. Every country believes that economic growth is an important part of improving the standard of living of its citizens. If a country's economy grows, the level of welfare of its citizens will also increase (Nurhayati et al., 2020). Indonesia's increasing economic growth is an urgent need to face global challenges and maintain human welfare. In this context, it is important to understand the activities of each country, including Nusa Tenggara Timur (NTT). Contribution to national GDP. Regional inequality is an important factor in economic development, especially in countries with abundant resources and heterogeneous demographics. NTT, one of the provinces in Indonesia, faces major challenges related to differences in economic development between regions. The purpose of this study is to examine the dynamics of NTT Province's GRDP as a basis for sustainable policy making. Increasing the utilization of regional potential will greatly support regional economic growth. Economic development is one of the actions taken by the government to improve people's welfare. Wahyudi & Tiara, (2022) states that a happy society is considered to have high living needs, security, and public services and is associated with low poverty and inequality. Actions taken by a country to improve the standard of living of its citizens are referred to as economic development. According to Wahyuni & Andriyani (2022)The goal of economic development is to create economic growth, change the economic system, bring about social change, reduce or eliminate poverty, and reduce unemployment and inequality. Classical economists argue that population size, capital stock, land area and natural resources, and the type of technology used have a major impact on economic growth. Although recognizing that economic growth is influenced by a variety of factors, classical economists focused primarily on the effect of population growth on economic development (Sukirno, 2023).

The GRDP of Nusa Tenggara Timur Province is contributed by 17 economic sectors, namely: agriculture, forestry, and fisheries; mining and excavation; manufacturing industry; electricity and gas supply; water supply, waste processing, waste and recycling; construction; wholesale and retail trade; car and motorcycle repair; transportation and warehousing; provision of accommodation and food and beverage; information and communication; financial and insurance services; real estate; corporate services; government administration; education services; health services and social activities; and other services.By understanding the conditions of regional inequality and classifying leading sectors, the government and other stakeholders can design more targeted policies. This will encourage investment, improve infrastructure, and improve the quality of human resources, which in turn will support inclusive and sustainable economic growth in NTT.

A problem that can arise during the economic development process is inequality in income distribution. Kuznets (1955) states that in the early stages of economic expansion, income distribution tends to worsen. However, in later stages, income distribution improves. The longitudinal (time-series) variation in income distribution that gives rise to this observation is known as the "Inverted-U" Kuznets curve. It is important to address this inequality because high inequality is widely viewed as unfair, can erode social stability and solidarity, and can lead to economic inefficiency (Wahyuni & Andriyani, 2022). In addition, inequality is an indication that one of the goals of the state, namely providing fair development and prosperity for all its citizens, has not been achieved.

Table 1 explains that in 2024, the GRDP growth rate in Nusa Tenggara Timur Province by business sector shows signifi-

Table 1.
GRDP Growth Rate by Sector of Nusa Tenggara Timur Province 2024 (percent)

Field of Business [2010 Series]	[2010 Series] GRDP Growth Rate By Business Sector (y-on-y) (Percent)				
	2024				
	Quarter I	Quarter II	Quarter III	Quarter IV	Annual
Agriculture, Forestry and Fisheries	-0.47	2.57	1.76	-	-
Mining and Quarrying	5.23	5.21	5.41	-	-
Processing industry	11.86	6.06	3.67	-	-
Electricity and Gas Procurement	15.22	0.04	8.53	-	-
Water Supply, Waste Management, Waste and Recycling	7.66	6.67	2.89	-	-
Construction	2.87	7.88	2.09	-	-
Wholesale and Retail Trade; Car and Motorcycle Repair	5.96	4.34	7.06	-	-
Transportation and Warehousing	2.6	6.28	7.59	-	-
Provision of Accommodation and Food and Beverages	10.06	10.72	13.56	-	-
Information and Communication	3.07	3.22	3.56	-	-
Financial Services and Insurance	6.06	6.06	3.09	-	-
Real Estate	2.92	1.55	1.1	-	-
Corporate Services	5.39	2.82	8.04	-	-
Government Administration, Defense and Compulsory Social Security	11.49	4.49	5.22	-	-
Educational Services	7.82	6.44	2.26	-	-
Health Services and Social Activities	1.62	3.98	4.32	-	-
Other services	3.87	1.67	2.17	-	-
GRDP	4.06	4.36	3.66	-	-

Source: Central Statistics Agency of Nusa Tenggara Timur (2024)

cant variations between economic sectors in the first, second, and third quarters. Several sectors experienced high growth, such as electricity and gas procurement which reached 15.22% in the first quarter, but slowed drastically to 0.04% in the second quarter. The manufacturing industry sector also showed strong growth of 11.86% in the first quarter but slowed to 6.06% in the second quarter. The construction sector recorded a high increase from 2.87% in the first quarter to 7.88% in the second quarter, but again decreased drastically in the third quarter to 2.09%. On the other hand, the agriculture, forestry, and fisheries sector experienced a contraction in the first quarter with a decrease of -0.47%, but grew again by 2.57% in the second quarter and decreased again in the third quarter by 1.76%. Overall, total GRDP growth increased from 4.06% in the first quarter to 4.36% in the second quarter, but decreased again in the third quarter by 3.66%. In this context, it is very important to identify leading sectors that can become pillars of the NTT economy. Based on the classification of leading sectors, sectors such as agriculture and processing industry need more attention in policy formulation to encourage more equitable and sustainable growth. Strengthening these sectors will help create closer relationships between agriculture and industry, as well as encourage the transfer of surplus labor from the agricultural sector to the processing industry sector, thereby creating more inclusive economic growth in NTT.

Regional disparities in economic development in Nusa Tenggara Timur (NTT) Province can be seen from the misalignment between the growth of the agricultural sector and the processing industry. Although the agricultural sector showed an increase from 3.75% in 2019 to 3.77% in 2022, the processing industry sector actually experienced a decline from 9.14% to 6.67% in the same period (Central Bureau of Statistics, 2023). This inequality reflects the existence of obstacles in the development of the manufacturing sector, especially related to the lack of optimization of agro-industrial resources on a medium scale, as well as problems of efficiency and production costs (Local Government, 2021). In fact, the processing industry plays an important role in the economy of developing countries, including as a multiplier of output and employment (Gabriel Luciano Ferreira, 2020). To overcome this imbalance, it is necessary to formulate policies that can encourage the growth of the processing industry sector so that harmony between the agricultural and industrial sectors is achieved. Thus, a linkage will be created between production, consumption, and the labor market, which can strengthen the growth of both sectors. This is in accordance with the view Wahyuni & Andriyani (2022) that in the process of structural change, developing countries will experience economic modernization with a large contribution from the manufacturing sector. Susilo et al., (2023) emphasizes that the assessment of the success of economic development can be measured by observing two main aspects, namely economic growth and low levels of income inequality among residents, sectors, and regions. High economic growth reflects positive progress in the economy of a region. However, development problems such as inequality in development between regions can occur if economic growth is not accompanied by equality (Septiani & Endang, 2022). Regional inequality has become a historical problem that has hit every region, starting from sub-districts, regencies/cities, provinces, islands and even the whole world (Woyanti & Majiid, 2023). This is in line with Maulina (2021) which states that the imbalance in the economic activity cycle can be caused by development disparities between regions which result in integrated disparities in prosperity between regions.

There are several studies that are relevant to this research. The research conducted by Abdillah et al., (2024) with the title Determining the Potential of Leading Sectors in Nusa Tenggara Timur and research conducted by (Basri, 2020) with the title Analysis of Potential Sector Development to Encourage Economic Growth in Kupang City, Nusa Tenggara Timur Province. The study used the same 3 (three) variables, namely GRDP, GRDP per capita, and economic growth rate within a period of 5 years. The study showed that of the three analysis methods, agriculture, forestry, and fisheries were the most superior. Therefore, for the progress of the Indonesian economy as a whole, a deep understanding of the dynamics of NTT's GRDP or a region is very important. Meanwhile, M Basri's research showed that in Kupang City there are five sectors with LQ values > 1. The most potential sectors to be developed in Kupang City are, the electricity, gas, and clean water sector; the rental and corporate finance sector, the transportation sector; the construction sector; and the hotel and restaurant trade sector. The five sectors included in the leading sectors include the manufacturing industry sector, the construction sector, financial services and insurance, real estate, and corporate services.

In addition, there is research conducted by Klau & Hidayah (2021) entitled “Analysis of economic potential to increase competitiveness in the NTT region” the analysis technique used is Location Quotient (LQ) analysis to identify basic and non-basic sectors (comparative advantages). The results of the analysis show that the economic potential of the land border areas of Nusa Tenggara Timur Province is generally in the government administration, defense and compulsory social security sectors. However, each region still has different advantages, such as Kupang Regency excels in the excavation and mining sector, TTU Regency excels in the transportation and warehousing sector, Belu Regency excels in the wholesale trade sector and Malaka Regency excels in the processing industry sector. Each superior sector must be able to be encouraged as a leading sector which will later provide a multiplier effect on the regional economy. Research by Dima (2022) entitled “Analysis of Leading Sector Structure and Economy” which states that the development of the economic growth rate of the Malaka Regency GRDP over the past ten years shows that economic growth fluctuations from year to year continue to experience an increase in economic growth. The types and sources of data used in this analysis are secondary data obtained from the Central Statistics Agency (BPS) calculated from 2011-2020. The analytical tools used are LQ (location query) analysis and shift share analysis. The results of the analysis show that the leading sectors in Malaka Regency are the agriculture, manufacturing sector, building/construction sector, transportation and warehousing sector. It can be seen that is region in Nusa Tenggara Timur Province has different leading sectors and this confirms that the identification of superior sectors is important to help overcome development in quality. Leading sectors is important to help overcome development inequality, so that equalization efforts can focus on the potential of the leading sector in each region.

Although previous studies have discussed the leading sectors and economic growth in Nusa Tenggara Timur, there is a gap in the literature that needs to be filled, namely a deeper understanding of the dynamic relationships between sectors, as well as economic inequality that may occur in the context of a very heterogeneous region such as NTT. Most studies tend to focus on certain sectors, without holistically investigating how integration between these sectors can support more inclusive and sustainable development. The novelty of this study lies in a more detailed approach in analyzing the contribution of each sector to regional GRDP, as well as efforts to identify patterns of inequality that may occur between sectors and regions. In addition, this study also aims to provide more targeted policy recommendations, in order to maximize the potential of leading sectors and improve development inequality in NTT, so that it can support more equitable economic growth across the province. In addition, this research aims to classivy the leading sector and inequality relate to the rate of economic growth in Nusa Tengga Timur Province, so that it can provide more targeted policy recommendations to focus improvements on leading sectors and their distribution so that economic growth can grow more evenly.

The novelty in this study is using 4 (four) variables, namely, GRDP, GRDP per capita, population, and economic growth rate in 10 regencies/cities in Nusa Tenggara Timur Province. This study intends to further examine how much inequality occurs in 10 regencies/cities, namely Alor, Flores Timur Regency, Lembata Regency, Sumba Barat Regency, Sumba Barat Daya Regency, Sumba Tengah Regency, Sumba Timur Regency, Timor Tengah Selatan Regency, Timor Tengah Utara Regency, Kupang City in the last 5 (five) years, analyzing the potential of resources through the leading sectors of each region, and classifying economic growth patterns in order to improve the distribution of economic development in the 10 regencies/cities. Therefore, the author decided to conduct further research on "Regional Inequality and Classification of Leading Sectors in The Economy in Nusa Tenggara Timur Province".

METHODOLOGY

This study uses secondary data for annual panel data published by the Central Statistics Agency (BPS) with a time period of 5 (five) years, namely in region 2019 to 2023 and a cross section of 10 (ten) namely in the Regency/City areas in Nusa Tenggara Timur Province, namely Alor, Flores Timur Regency, Lembata Regency, Sumba Barat Regency, Sumba Barat Daya Regency, Sumba Tengah Regency,, Sumba Timur Regency, Timor Tengah Selatan Regency, Timor Tengah Utara Regency, Kupang City. This study uses Stata 16 and MS.Excel 2010 analysis tools. The variables used are Gross Domestic Product (GRDP), GRDP Per Capita, Growth Rate, and Population. Based on the data obtained for the Williamson Index analysis, there are 200 data consisting of GRDP per capita and population. Then, for the Location Quotient (LQ) analysis, there are 1,700 data consisting of GRDP of 17 sectors. For the Klassen Typology analysis, 200 data were used for GRDP per capita and economic growth rates.

The data obtained from this study have been processed using computer tools and software and analysis functions. There

Table 2.
Operational Definition of Variables

No	Variables	Definition	Indicators/Measurement Instruments	Source	Data Types
1	GRDP	The total value of final goods and services produced by all business sectors in an area.	GRDP of business sector based on constant prices (Million Rupiah)	• BPS (2023) • The Untamed (2020)	Quantitative
2	GRDP Per Capita	The income of each resident is obtained by dividing the total value of a region's GRDP by the number of residents in that region.	GRDP per capita at constant prices (Million Rupiah)	• BPS (2023) • Rachmawati et al., (2018)	Quantitative
3	Economic Growth Rate	The development of output of goods and services in a region in a particular year compared to the previous year.	Percentage (%)	• BPS (2023) • The Untamed (2020)	Quantitative
4	Total population	All residents who have resided in an area for a minimum of 6 months.	Soul	• BPS (2023) • Suprianto et al., (2017)	Quantitative

Source: Processed Data (2024)

are 3 (three) analysis methods used, namely the Williamson index, Location Quotient (LQ) and Klassen Typology. The Williamson index is used to answer the first problem formulation, namely measuring the level of development inequality between districts/cities in the province of Nusa Tenggara Timur in 2019-2023. Then to formulate the second problem, namely analyzing the dominant domain part, the Location Quotient (LQ) analysis is used. In addition, to answer the third problem model, namely understanding the classification of economic growth patterns between regions, it has been answered using the Klassen Typology analysis method.

Williamson Index

The Williamson Index is a method used to calculate the level of development inequality between regions. In this analysis, it can be measured using Gross Domestic Product (GRDP) data per capita and population (Asy'ariati et al., 2022). This method has the disadvanted of being highly sensitive to the region used in the calculation. However, this method is quite commonly used to measure the level of inequality of a region. The following is the Williamson Index formula Sjafrizal (2008):

$$CV_w = \frac{\sqrt{\Sigma_i (\mathrm{Yi}-\mathrm{Y})^2 \cdot \frac{fi}{n}}}{\mathrm{Y}}$$

where CVw is williamson index, Yi is GRDP per capita of Regency/City i, Y is average GRDP per capita of all regions (Nusa Tenggara Timur Province), fi is Number of residents of Regency/City i, n is total population of the entire region (Nusa Tenggara Timur Province)

The value of the Williamson Index ranges from zero to one or 0 < CVw < 1. According to(Larasati & Setya Wijaya, 2022)limits on the level of development inequality between regions using the following measurements:

If CVw < 0.3 it means regional inequality is low.

If CVw = 0.3 – 0.5 it means that regional inequality is moderate.

If CVw > 0.5 it means that regional inequality is high.

Location Quotient (LQ)

Location quotient analysis can be used to analyze potential sectors or bases in a region. This analysis technique is calculated by using the contribution of the business sector in a region with the contribution of the same business sector at the national level or in a wider region (Maulina, 2021). However, the LQ method has limitations in that it requires data accuracy to obtaint valid results. The LQ formula is as follows Combatant (2001):

$$LQ = \frac{Xr/Rr}{Xn/Rn}$$

where LQ is location quotient, Xr is GRDP value of sector i in Regency/City, Xn is GRDP value of sector i in Nusa Tenggara Timur Province, Rr is total value of GRDP in Regency/City, Rn is total value of GRDP in Nusa Tenggara Timur Province

The LQ measurement results presented by Arsita & Adianita (2024) produces three criteria, namely:

LQ > 1 indicates that the region has a base or tendency to export products outside the region.

LQ = 1 indicates that this industry is categorized as non-basic or meets its own needs.

LQ < 1 indicates that the industry is not based on or requires aid or imports to meet its needs.

Class Typology

Klassen Typology Analysis is used to classify economic growth patterns and structures in each region.Larasati & Setya Wijaya (2022) stated that the rate of economic growth and regional GRDP per capita are two indicators in the Klassen typology analysis to classify regions. This method has limitations in that it only relies on indicators of economic growth in per capita income, so it does not fully reflec

Table 3.
Classification of Class Typology

Classification	yi > y	yi < y
ri > r	**Quadrant I** Developed and fast growing areas	**Quadrant II** Fast developing area
ri < r	**Quadrant III** Developed but depressed area	**Quadrant IV** Relatively underdeveloped areas

Source: Taufiqqurrachman & Jayadi (2023)

the complex dynamic of regional economic growth. Taufiqqurrachman & Jayadi (2023) classify the identified regions into four Klassen categories by determining the average economic growth on the vertical line and the average per capita income on the horizontal line.

RESULTS AND DISCUSSION

Table 4 Descriptive statistics aims to provide an overview or description of data seen from the minimum, maximum, mean (average), and standard deviation values of each research variable. The results of the descriptive analysis are in table 4.

However, the development disparity between regions in this province is still a major challenge. Differences in access to resources, infrastructure, and economic capacity between districts/cities widen the gap in people's welfare. This study aims to examine regional disparities in NTT and identify leading sectors in the economy that have the potential to drive more equitable growth. To that end, this study will specifically discuss the results of the Williamson Index Analysis, Location Quotient (LQ) Analysis, and Klassen Typology Analysis in identifying disparities and key sectors that can be the focus of development in NTT.

Williamson Index Analysis

The difference in economic growth rate and GRDP per capita between regencies/cities in the Nusa Tenggara Timur (NTT) region from the highest to the lowest indicates differences in the level of development and inequality in the NTT region. Williamson Index analysis can be used to explain the level of inequality that occurs in this region. The value of the Williamson index (CVw) ranges from zero to one with the following interpretation: If CVw is less than 0.03, it means that regional inequality is low; if CVw is between 0.03 and 0.05, it means that regional inequality is moderate; and if the CVw value is more than 0.5, this indicates high inequality in the region (Larasati & Setya Wijaya, 2022).

Based on the results of the Williamson Index calculation in Nusa Tenggara Timur (NTT) Province during the 2019-2023 period, there is a relatively high level of development inequality between districts/cities. The index value which is above 0.5 for the past five years, with an average

Table 4.
Descriptive Statistics

Variable	N	Minimum	Maximum	Mean	Std deviaton
GRDP	50	1996.04	4245701	1645675	1461199
GRDP Per Capita	50	6676	38327	13365.22	8491.955
Growth Rate	50	-2.05	6.03	2,529	1.912917
Total population	50	72800	474521	261774.6	122557.1

Source: Data processed (2024)

index of 0.787, indicates that the distribution of development and economic growth is uneven in this region. In 2019, the index value reached 0.800 and continued to increase to 0.807 in 2020, which was the highest figure during that period. This increase indicates that the economic and development gap between districts/cities in NTT is widening, which is likely due to differences in access to resources, infrastructure, and economic opportunities.

Table 5.
Results of Williamson Index Analysis of 10 Districts/Cities in NTT Province 2019-2023

Year	Williamson Index	Information
2019	0.800	CVw>0.5 (High)
2020	0.807	CVw>0.5 (High)
2021	0.778	CVw>0.5 (High)
2022	0.784	CVw>0.5 (High)
2023	0.765	CVw>0.5 (High)
Average	**0.787**	**CVw>0.5(High)**

Source: Data processed (2024)

Although there was a slight decrease in the Williamson index value from 2021 to 2023, with indexes of 0.778, 0.784, and 0.765 respectively, inequality is still in the high category. This indicates a slight improvement, but not significant enough to reduce inequality to a lower level. This inequality is a challenge for the development of the NTT region, where some regions may be more advanced while other regions are far behind. Factors such as differences in investment, uneven development policies, and gaps in the provision of basic infrastructure can be the main causes of this high inequality. Therefore, more targeted and sustainable efforts are needed to address this inequality by strengthening investment in priority sectors, such as education, health, and infrastructure development in disadvantaged areas.

The Williamson Index analysis for the period 2019-2023 shows that development inequality between districts/cities in Nusa Tenggara Timur (NTT) Province remains relatively high, with an average index of 0.787. This finding is in line with the results of research(Alfiansyah & Budyanra, 2020)which also identified an increase in development inequality in NTT, especially in Kupang City which had the highest inequality during the 2013-2017 period. Both analyses highlight factors that influence inequality, where Alfiansyah and Budyanra emphasize the importance of the Literacy Rate (AMH), capital expenditure, General Allocation Fund (DAU), Regional Original Income (PAD), and Open Unemployment Rate (TPT) as key variables. Specifically, Alfiansyah and Budyanra found that capital expenditure, PAD, and TPT have a positive impact on inequality, while AMH and DAU have a negative impact. Meanwhile, although the Williamson Index shows a small decrease in inequality from 2021 to 2023, these results still reflect the high level of development inequality between regions that requires serious attention. The similarity of these two studies is the existence of a pattern of inequality that continues to persist and requires more inclusive policies to reduce this gap.

Location Quotient (LQ) Analysis

Location Quotient (LQ) analysis is an analysis technique used to determine the potential sector or base owned by a region by comparing the value of the business sector in a region with the contribution of the same business sector in the upper level region. The results of the LQ calculation used are the average LQ during the research period from 2019 to 2023 in 10 regencies/cities in NTT Province.

Table 6
Location Quotient (LQ) of 10 Districts/Cities in Nusa Tenggara Timur Province

SECTOR	ALOR	FLORES TIMUR	LEMBATA	SUMBA BARAT	SUMBA BARAT DAYA	SUMBA TENGAH	SUMBA TIMUR	TIMOR TENGAH SELATAN	TIMOR TENGAH UTARA	KUPANG
1, Agriculture, forestry and fisheries	1.14 BASE	1.00 NON-BASIS	1.23 BASE	0.95 NON-BASIC	1.48 BASE	1.42 BASE	0.84 NON-BASIC	1.59 BASE	1.54 BASE	81.43 BASE
2, Mining and quarrying	1.30 BASE	0.82 NON-BASIC	0.41 NON-BASIC	1.00 NON-BASIS	0.77 NON-BASIC	3.24 BASIS	1.02 BASE	1190.98 BASIS	1.19 BASE	79.29 BASE
3, Processing industry	1.13 BASE	0.79 NON-BASIC	0.17 NON-BASIC	1.43 BASE	0.53 NON-BASIC	0.47 NON-BASIC	0.99 NON-BASIC	554.33 BASE	0.85 NON-BASIC	1213.77 BASE
4, Procurement of gas electricity	1.42 BASE	0.94 NON-BASIC	1.31 BASE	0.84 NON-BASIC	0.50 NON-BASIC	0.05 NON-BASIC	3.51 BASE	575.30 BASE	0.72 NON-BASIC	1707.19 BASE
5, Water supply, waste management, sewage and recycling	1.54 BASE	0.42 NON-BASIC	0.55 NON-BASIC	0.15 NON-BASIC	0.11 NON-BASIC	0.13 NON-BASIC	0.35 NON-BASIC	323.18 BASE	0.30 NON-BASIC	2101.17 BASE
6, Construction	0.98 NON-BASIC	0.54 NON-BASIC	0.64 NON-BASIC	0.66NON N BASIC	0.44 NON-BASIC	0.33NO N BASIC	1.25BA SE	785.91 BASIS	0.95 NON-BASIC	1.42 BASE
7, Wholesale and retail trade, repair of cars and motorbikes	1.06 BASE	0.65 NON-BASIC	0.56 NON-BASIC	1.52 BASE	0.99 NON-BASIC	0.40 NON-BASIC	1.31 BASE	587.89 BASE	1.16 BASE	1.31 BASE
8, Transportation and warehousing	1.14 BASIS	1.13 BASE	0.58 NON-BASIC	0.48 NON-BASIC	0.43 NON-BASIC	0.11 NON-BASIC	0.85 NON-BASIC	329.38 BASE	1.17 BASE	1.45 BASE
9, Provision of accommodation and food and drink	0.67 NON-BASIC	0.11 NON-BASIC	0.34 NON-BASIC	0.67 NON-BASIC	0.05 NON-BASIC	0.17 NON-BASIC	0.40 NON-BASIC	137.71 BASE	0.94 NON-BASIC	2775.52 BASE
10, Information and communication	0.78 NON-BASIC	0.62 NON-BASIC	0.94 NON-BASIC	0.63 NON-BASIC	1.29 BASE	0.76 NON-BASIC	0.56 NON-BASIC	950.52 BASE	0.68 NON-BASIC	1.75 BASE
11, Financial Services and Insurance	1.60 NON-BASIC	1.09 BASE	0.10 NON-BASIC	1.40 BASE	0.52 NON-BASIC	0.35 NON-BASIC	0.83 NON-BASIC	767.00 BASIS	0.45 NON-BASIC	1.71 BASE
12, Real estate	0.76 NON-BASIC	1.37 BASE	0.63 NON-BASIC	1.05 BASE	0.82 NON-BASIC	1.16 BASE	0.69 NON-BASIC	1189.57 BASE	1.02 BASE	1231.88 BASIS
13, Company services	2.85 BASE	0.51 NON-BASIC	0.22 NON-BASIC	0.81 NON-BASIC	0.03 NON-BASIC	0.06 NON-BASIC	0.95 NON-BASIC	361.80 BASIS	0.39 NON-BASIC	2159.68 BASE
14, Government administration, defense and security	1.23 BASE	1.47 BASE	2.19 BASE	1.26 BASE	1.03 BASE	2.08 BASIS	0.92 NON-BASIC	1070.02 BASIS	1.18 BASE	0.65 NON-BASIC
15, Educational services	0.35 NON-BASIC	1.49 BASE	0.79 NON-BASIC	1.03 BASE	0.75 NON-BASIC	0.92 NON-BASIC	1.60 BASE	658.87 BASIS	0.66 NON-BASIC	1.55 BASE
16, Health services and social activities	0.27 NON-BASIC	0.99 NON-BASIC	0.66 NON-BASIC	0.71 NON-BASIC	0.82 NON-BASIC	0.20 NON-BASIC	0.92 NON-BASIC	620.83 BASE	0.59 NON-BASIC	1554.89 BASE
17, Other services	0.30 NON-BASIC	2.02 BASE	0.51 NON-BASIC	0.92 NON-BASIC	0.37 NON-BASIC	0.13 NON-BASIC	1.64 BASE	393.53 BASE	0.35 NON-BASIC	1780.90 BASIS

Source: Data processed (2024)

According to Tarigan in (Taufiqqurrachman & Jayadi, 2023a), the magnitude of the LQ value provides the following understanding: If the LQ value > 1 then it can be said that the sector has potential or is a basic sector; whereas if a sector has an LQ value < 1 and LQ = 1 then the sector is classified as non-basic or has no potential.

The results of the Location Quotient (LQ) analysis calculation in 10 Regencies/Cities in NTT Province for the period 2019-2023 are obtained in table 6.

Alor

Based on the results of the Location Quotient (LQ) analysis of Alor during the 2019-2023 period, the economic sectors included in the basic category show that they have significant competitive advantages compared to the national average. Basic sectors, which have an LQ of more than 1, contribute greatly to the economy of this region. Among them, Sector 13 (Financial Services and Insurance) stands out with the highest average LQ value of 2.851, indicating the dominance of this sector in the economic structure of Alor. Sector 11 (Government Administration, Defense, and Compulsory Social Security) also has a high average LQ value of 1.604, reflecting its important role in stability and public services in this region. In addition, Sector 5 (Information and Communication) and Sector 1 (Agriculture, Forestry, and Fisheries) are also mainstays with average LQs of 1.536 and 1.142, respectively. The existence of these sectors as an economic base shows that Alor has a large dependence on the primary sector and government services to maintain the regional economy.

However, several sectors fall into the non-basic category, showing a relatively low contribution to the economy of Alor. Sector 9 (Provision of Accommodation and Food and Beverages), with an average LQ of 0.671, for example, shows that the tourism sector has not developed optimally, even though Alor has great tourism potential. Sector 6 (Wholesale and Retail Trade; Car and Motorcycle Repair) with an average LQ value of 0.980, is also still not a dominant sector even though it is on the threshold of being a basic sector. Other sectors, such as Sector 15 (Real Estate) and Sector 16 (Company Services), also show that there are still challenges in driving growth in these sectors. More intensive efforts are needed to develop these non-basic sectors in order to broaden the economic base and reduce dependence on certain sectors.

When compared with research results(Atama Johanis Samuel, 2013), the latest LQ analysis of Alor for the 2019-2023 period shows a shift in the leading sectors. Previously, the Electricity, Gas and Drinking Water; Manufacturing Industry; and Services sectors were recorded as basic sectors with LQ above 1, indicating the potential to be developed as drivers of the regional economy. However, in the latest period, the dominant sectors have shifted to Financial Services and Insurance; Government Administration, Defense, and Mandatory Social Security; and Information and Communication. Meanwhile, sectors that were previously called leading such as Manufacturing Industry no longer appear as dominant sectors. This shift shows a change in the economic structure of Alor, where the services and public administration sectors now play a larger role, while the industrial and utility sectors need to be strengthened again to achieve maximum potential. Thus, economic diversification is needed, although the service sector and public administration show a significant role, there needs to be an effort to diversify the economy. Redevelopment of the processing industry and utilities (Electricity, Gas, and Drinking Water) can be a priority to create a sustainable economic balance.

In addition, there is a need to strengthen the base sector. New leading sectors such as Financial Services and Insurance; Information and Communication; and Government Administration need to be supported with specific policies to increase their contribution to the economy, such as improving digital infrastructure, developing human resources, and investment incentive policies. There are policies that can be alternatives such asInvestment Policy that provides investment incentives for the processing and utility sectors to attract local and foreign investors. Facilitating access to financing for MSMEs in basic sectors. as well as Digital Infrastructure Development policies such as Developing telecommunications infrastructure to support the Information and Communication sector which is becoming a new flagship.

Thus, the conclusion of the change in the economic structure in Alor shows that development strategies need to be more adaptive to local economic trends and potential. By developing new sectors while strengthening old sectors with potential, Alor can achieve inclusive and sustainable economic growth.

East Flores

Based on the analysis of the Location Quotient (LQ) of Flores Timur Regency for the period 2019-2023, the sectors classified as basic and non-basic show a picture of the contribution of certain sectors to the regional economy. Basic sectors are sectors that have an LQ value of more than 1, which means that the sector is stronger or more competitive than the national average. One sector that stands out as a basic sector is Sector 17 (Other Services), which has the highest average LQ value of 2.017, indicating that this sector has a very significant advantage in the economy of East Flores. Sector 12 (Health Services and Social Activities) with an average LQ of 1.367 and Sector 15 (Education Services) with an LQ of 1.493, are also basic sectors that play an important role in regional economic development. In addition, Sector 14 (Real Estate) with an LQ of 1.466 is also a significant sector, reflecting the importance of this sector in the regional economic structure.

On the other hand, several sectors fall into the non-basic category with an LQ of less than 1, meaning that these sectors contribute less than other sectors. Sector 9 (Provision of Accommodation and Food and Beverages) has the lowest average LQ value of 0.114, indicating that this sector has not developed optimally and its contribution is still far below the national average. Sector 5 (Financial Services and Insurance) with an average LQ of 0.424 also indicates that this sector has not become a dominant sector in East Flores. Overall, although there are leading sectors that are the basis of the regional economy, there are also non-basic sectors that require more attention to be developed in order to contribute more to the local economy.

When compared with research results(Rahardjanto, 2020), the latest LQ analysis of Flores Timur Regency for the period 2019-2023 shows changes in the leading sectors and the structure of the regional economy. Previously, the Transportation and Warehousing, Financial Services and Insurance, and Government Administration sectors were the dominant base sectors. However, in the period 2019-2023, the leading sectors shifted, with the Other Services, Education Services, Health Services, and Real Estate sectors emerging as the main base sectors with LQ above 1. The Real Estate sector continues to show a competitive advantage as found in the Shift Share analysis(Rahardjanto, 2020), indicating specialization and growth potential. However, significant differences are seen in the Financial Services and Insurance sector, which was previously a basic sector in 2016, but is now a non-basic sector with an LQ of 0.424. In addition, the Accommodation and Food and Beverage Provision Sector remains in a weak position with a very low LQ, indicating a lack of development in the tourism sector. These changes indicate that while some sectors continue to show superiority, some other sectors have experienced a decline in their contribution to the economy, requiring attention from local governments to encourage more balanced growth across sectors.

Policies that can improve the economy of Flores Timur Regency, such as implementing an integrated tourism policy: Encouraging the promotion of East Flores tourism globally, including packaging cultural, natural and historical tourism packages. Public service improvement policies such as mprioritize investment in education and health, such as building schools, hospitals and primary health facilities, strengthening partnerships with the private sector to improve health and education services.

Thus, by strengthening new leading sectors, revitalizing declining sectors, and developing supporting infrastructure, inclusive and sustainable economic growth can be achieved, and disparities between regions can be minimized.

Lembata

Based on the results of the Location Quotient (LQ) analysis of Lembata Regency for the period 2019-2023, there are several basic sectors that dominate the economy of this region. The most prominent sector is Sector 14 (Real Estate) with an average LQ of 2.187, indicating that this sector plays a major role and has a comparative advantage in Lembata Regency. In addition, Sector 1 (Agriculture, Forestry, and Fisheries) and Sector 4 (Water Supply, Wastewater Management, and Recycling) are also classified as basic with average LQs of 1.225 and 1.313, respectively. This indicates that these sectors make a significant contribution to the local economy and are more developed than the national average. Strong performance in these sectors shows the potential for further development in driving regional economic growth.

However, most other sectors are still classified as non-basic, meaning their contribution to the Lembata economy is lower than the national average. For example, Sector 3 (Mining and Quarrying) only has an average LQ of 0.169, indicating that this sector has not become a major economic driver. Other sectors such as Sector 9 (Provision of Accommodation and Food and Beverages) with an average LQ of 0.341 and Sector 11 (Information and Communication) with an LQ of 0.103 also show minimal roles. To increase more inclusive and sustainable economic growth, more attention must be given to these non-basic sectors so that they can develop more optimally.

When compared with research results(Firman, 2020), the latest LQ analysis of Lembata Regency for the 2019-2023 period shows that the sectors that dominate the economy have shifted. Previously, Lembata Regency was known for having the highest LQ value, especially in the goat livestock sector, which is a leading commodity with comparative strength. However, in the latest analysis, the most prominent sector is the Real Estate sector, with an LQ of 2.187, which was not mentioned in previous studies. The Agriculture, Forestry, and Fisheries sector also remains a base sector, but the goat livestock sector mentioned by(Firman, 2020)as an important commodity does not appear to dominate in the analysis of the 2019-2023 period. This shift indicates that the economy of Lembata Regency may have diversified, where other sectors such as Real Estate and Water Supply are starting to play a bigger role than traditional sectors such as goat farming. However, non-basic sectors such as Accommodation and Information Provision still need attention for further development so that the economy of Lembata Regency is more balanced and inclusive.

Policies that can be given such as strengthening the property sector by encouraging the development of housing, commercial facilities, and sustainable public infrastructure, Reviving the goat farming sector as one of the leading commodities by providing support in the form of modern technology, market access, and training for local farmers. and, Accelerating the development of telecommunications networks to support the Information Provision sector.

Sumba Barat Regency

Based on the results of the Location Quotient (LQ) analysis of Sumba Barat Regency for the period 2019-2023, there are several basic sectors that play an important role in the economy of this region. One of the prominent sectors is Sector 7 (Transportation and Warehousing) with an average LQ of 1.516, which shows that this sector is a leading sector and has a comparative advantage in Sumba Barat

Regency. In addition, Sector 3 (Mining and Quarrying) also showed strong performance with an average LQ of 1.428, indicating that this sector plays an important role in the local economy. Sector 11 (Information and Communication) and Sector 12 (Financial Services and Insurance) are also classified as basic with average LQs of 1.401 and 1.049, respectively. The existence of these basic sectors shows the potential for stable economic growth in Sumba Barat Regency, especially in terms of transportation, communication, and mining.

On the other hand, most other sectors are categorized as non-basic, meaning their contribution to the local economy is still relatively small compared to the national average. For example, Sector 5 (Processing) has a very low average LQ of only 0.146, indicating that this sector is not the main driver of the regional economy. Sector 8 (Provision of Accommodation and Food and Beverages) and Sector 9 (Wholesale and Retail Trade, Car and Motorcycle Repair) with average LQs of 0.484 and 0.666 respectively are also still categorized as non-basic. To increase more inclusive economic growth, these non-basic sectors require further attention, such as increasing investment and infrastructure development that can support these sectors to develop better in the future.

When compared with research results(Meo & Tiwu, 2024), the latest LQ analysis of Sumba Barat Regency for the period 2019-2023 shows several similarities and differences in the leading sectors. In the study(Meo & Tiwu, 2024), sectors such as Mining and Quarrying, Manufacturing, Real Estate, and Financial Services and Insurance are referred to as base sectors, which is in line with the latest results, where the Mining and Quarrying and Financial Services and Insurance sectors also showed strong performance with LQ above 1. However, the latest analysis shows that the Transportation and Warehousing sector emerged as the main base sector with LQ 1.516, which was not mentioned dominantly in previous Meo research. On the other hand, the Tourism sector which was disclosed(Meo & Tiwu, 2024)as a major driver of economic growth through destinations such as Tebara Tourism Village, does not appear explicitly in the latest LQ analysis, although the Accommodation and Food and Beverage Provision Sector has a low LQ of 0.484. This suggests that while tourism is qualitatively important, its quantitative contribution to the economy does not yet reflect a comparative advantage. Thus, while some sectors remain dominant, there have been changes in other sectors that indicate a shift in the economic dynamics of Sumba Barat Regency in recent years.

The Transportation and Warehousing sector has become the main base sector with a high LQ (1,516). The local government needs to focus on improving transportation and warehousing infrastructure to support further economic growth. Investment in this sector can also strengthen connectivity between regions and support other sectors, including tourism and trade. To reduce dependence on a particular sector, economic diversification needs to be encouraged. This includes the development of non-base sectors such as the manufacturing industry or property that have the potential to grow into base sectors in the future. Changes in the economic dynamics of Sumba Barat Regency require continuous monitoring and evaluation. The local government needs to update the LQ analysis periodically to ensure that the economic policies taken are relevant and on target. By implementing these suggestions, it is hoped that Sumba Barat Regency can optimize the potential of its leading sectors and improve the welfare of the community as a whole.

Sumba Barat Daya Regency

Based on the analysis of the Location Quotient (LQ) of Sumba Barat Daya Regency for the 2019-2023 period, the leading (basic) sectors that contribute significantly to the regional economy are Sector 1 (Agriculture, Forestry, and Fisheries) with an average LQ of 1.484, Sector 10 (Government Administration, Defense, and Compulsory Social Security) with an LQ of 1.285, and Sector 14 (Education Services) with an LQ of 1.029. These sectors have strong comparative advantages. However, most other sectors, such as Sector 5 (Processing), Sector 9 (Water Supply, Waste Management, and Recycling), and Sector 13 (Real Estate), are classified as non-basic with low LQ, indicating an economic contribution that is still below the national average. The development of these non-basic sectors can be an opportunity to increase economic diversification in the region.

When compared with research results (Meo & Tiwu, 2024)The latest LQ analysis for Sumba Barat Daya Regency for the period 2019-2023 shows some differences in the basic and non-basic sectors. The research(Meo & Tiwu, 2024) identified the Agriculture, Forestry, and Fisheries and Information and Communication sectors as the base sectors, which is consistent with the latest results, where the Agriculture, Forestry, and Fisheries sector remains the leading sector with an LQ of 1.484. However, the Information and Communication sector is no longer the dominant base sector in the latest analysis, indicating a shift in the regional economic structure. In addition, the Education Services sector emerged as a new base sector in the latest analysis, while in the previous study (Meo & Tiwu, 2024), this sector is classified as non-basic. On the other hand, non-basic sectors such as Real Estate, Provision of Accommodation and Food and Beverage, and Corporate Services mentioned by (Meo & Tiwu, 2024) remain in the non-basic category in the latest analysis, indicating that the contribution of these sectors to the economy is still relatively low. This shift indicates a change in focus in the economic development of Sumba Barat Daya Regency, although the agricultural sector still plays an important role.

The suggestions and policies that can be implemented include strengthening the base sector, diversifying agricultural, forestry, and fisheries products into value-added products through the development of local processing industries. Supporting infrastructure such as irrigation, transportation, and access to markets to increase productivity and competitiveness. Collaboration with other sectors Integrate the Information and Communication sector with the Agriculture sector through smart farming technology to increase efficiency and productivity. Investment in teacher training, school facilities, and work skills-based curriculum that is relevant to market needs.

Sumba Tengah

Based on the analysis of the Location Quotient (LQ) of Sumba Tengah Regency in the 2019-2023 period, there are several sectors that show strong comparative advantages, namely sector 2 (Agriculture, Forestry, and Fisheries) with an average LQ of 3.242, sector 1 (Agriculture, Forestry, and Fisheries) with an LQ of 1.424, and sector 12 (Education Services) with an LQ of 1.157. These three sectors are basic sectors that make a significant contribution to the regional economy. Sector 14 (Health Services and Social Activities) is also classified as basic with an LQ of 2.084, which shows that this sector has an important role in the development of Sumba Tengah Regency. However, most other sectors, such as sector 3 (Processing Industry), sector 4 (Electricity and Gas), and sector 7 (Transportation and Warehousing), are included in the non-basic category with lower LQs. This shows that these non-basic sectors have potential that is not yet optimal in contributing to the regional economy. Focusing on developing these sectors can be an opportunity to diversify the economy of Sumba Tengah in the future.

When compared with research results(Meo & Tiwu, 2024)The latest analysis of the Sumba Tengah Regency LQ for the period 2019-2023 shows that the Agriculture, Forestry, and Fisheries sector remains the main base sector, with a significant increase in its contribution to the regional economy, as evidenced by the LQ of 3.242. This is consistent with the findings(Meo & Tiwu, 2024)where this sector is also identified as a leading sector. However, in the latest analysis, the Education Services and Health Services and Social Activities sectors also emerged as base sectors with LQs of 1.157 and 2.084 respectively, which were not mentioned in the study.(Meo & Tiwu, 2024). This shows a change in the economic structure of Sumba Tengah, where public service sectors such as education and health are increasingly playing a role in the economy. Meanwhile, non-basic sectors such as the Manufacturing Industry, Electricity, and Transportation have not shown significant growth, as also identified by(Meo & Tiwu, 2024)there needs to be more attention to the development of these non-basic sectors in order to increase economic diversification and stability in Sumba Tengah Regency.

Based on the latest analysis, the Agriculture, Forestry, and Fisheries sector remains the main base sector with an LQ of 3,242. The government needs to: Increase investment in sustainable agriculture, forestry, and fisheries technology. Build supporting infrastructure, such as road access to agricultural land and harvest storage facilities. With the increasing LQ of the Education Services sector (1,157) and Health Services and Social Activities (2,084), the following policies can be prioritized: Increase budget allocation for education and health facilities in Sumba Tengah Regency. Develop partnerships with private institutions and non-governmental organizations to improve service quality. Increase electricity production capacity, including the use of renewable energy, to support industrial and household needs.

In addition, the Government needs to implement a routine monitoring and evaluation mechanism for the development of leading and non-basic sectors to ensure that the policies implemented remain relevant to the dynamics of the regional economy. With this approach, it is hoped that the economic structure in Sumba Tengah Regency as a whole can be more balanced, inclusive, and sustainable.

Sumba Timur

Based on the analysis of the Location Quotient (LQ) of Sumba Timur Regency in the 2019-2023 period, several sectors show strong potential in the local economy. Sector 2 (Agriculture, Forestry, and Fisheries) and sector 6 (Processing Industry) are basic sectors with an average LQ of more than 1, which means that these sectors have a significant contribution to the regional economy, with sector 6 reaching an LQ of 1,246 and sector 2 reaching an LQ of 1,018. Sector 7 (Construction) is also a basic sector with an average LQ of 1,312, which shows that construction is an important sector that supports infrastructure development. In addition, sector 15 (Health Services and Social Activities) and sector 17 (Education) also show an important role in the Sumba Timur economy with significant LQ, with average LQs of 1,603 and 1,641, respectively. However, most other sectors, such as sector 3 (Processing Industry), sector 4 (Electricity), and sector 12 (Information and Communication), have LQ below 1 and are non-basic sectors, indicating that these sectors have not contributed significantly to the district economy. Focusing on developing these sectors, especially those with suboptimal local potential, could be an opportunity for more inclusive economic growth.

Analysis of the Location Quotient (LQ) of Sumba Timur Regency for the 2019-2023 period shows several significant differences compared to the results from(Meo & Tiwu, 2024). Based on the latest data, the main base sectors in Sumba Timur are the Agriculture, Forestry, and Fisheries Sector and the Manufacturing Industry Sector, with the construction, education, and health sectors also making significant contributions to the regional economy. On the other hand,(Meo & Tiwu, 2024)identified Mining, Electricity and Gas Supply, and Education Services as basic sectors, while the agricultural sector is considered a non-basic sector. This difference indicates the dynamics of the local economy that may be influenced by changes in policy, investment, or market demand. Nevertheless, both analyses agree that the tourism sector has great potential to support the economic growth of Sumba Timur, especially through cultural attractions and marine tourism destinations. For more inclusive growth, there needs to be a focus on developing non-basic sectors that have great potential but have not yet optimally contributed.

Based on the latest LQ analysis, the agriculture, forestry, fisheries, and processing industry sectors show a large contribution to the economy of Sumba Timur. Strengthening efforts can be done through modernization of the agriculture and fisheries sector by utilizing precision farming technology, irrigation, and product diversification. Optimizing Tourism Potential as a New Source of Economic Growth. The tourism sector in Sumba Timur has great potential through cultural attractions and marine tourism destinations. Strategies that can be implemented Development of leading tourist destinations, including ecotourism and local culture-based tourism. The mining, electricity, and gas sectors, previously identified as base sectors by Meo and Tiwu (2024), still need to be optimized. Policies that can be implemented include Encouraging investment in renewable energy, such as solar power to support local energy needs and exports. and Building linkages between leading sectors and non-base sectors through supply chain integration, for example, agricultural products processed by the industrial sector.

Timor Tengah Selatan

Analysis of the Location Quotient (LQ) of Timor Tengah Selatan (TTS) Regency in the period 2019-2023 shows that almost all sectors in this regency have very high LQ, which means that these sectors are basic sectors with a large contribution to the local economy. Sector 2 (Agriculture, Forestry, and Fisheries), sector 3 (Processing Industry), and sector 4 (Construction), with an average LQ of above 500 each, are the main sectors that dominate the TTS economy, reflecting the great potential in the agriculture sector and local processing industry. In addition, sector 6 (Transportation and Warehousing) and sector 12 (Education and Health Services) also showed significant contributions with high LQs, ranging from 785 to 1189, respectively. Other sectors, such as sector 7 (Trade), sector 8 (Hotels and Restaurants), and sector 9 (Finance and Insurance), also showed important roles in the TTS economy, with LQs indicating that they optimally meet local needs. With the majority of sectors showing very high LQs, TTS has great economic strength in strategic sectors that support sustainable economic growth, especially in basic sectors such as agriculture, industry, and public services. However, the challenge faced is the sustainability and increasing efficiency of these sectors so that they can continue to support long-term growth.

Based on a comparison of the results of the Location Quotient (LQ) analysis of Timor Tengah Selatan Regency (TTS) from the 2019-2023 period with research(Meo & Tiwu, 2024), there are some significant differences. The latest data shows that almost all sectors in TTS have very high LQ, with the Agriculture, Forestry, and Fisheries, Manufacturing, and Construction sectors being the basic sectors that dominate the economy, in contrast to(Meo & Tiwu, 2024)which only identifies the agricultural and real estate sectors as the base sectors. In addition,(Meo & Tiwu, 2024)noted many non-basic sectors, including Education Services, Transportation, and Health Services, while the latest analysis actually shows that these sectors have high LQ and make significant contributions to the local economy. This indicates a significant change in the economic structure of TTS in recent years, which may be due to increased investment or policies that support these sectors. Nevertheless, both analyses agree that tourism remains a potential sector that plays an important role in supporting economic growth in TTS.

The Agriculture, Forestry, Fisheries, Manufacturing, and Construction sectors have become dominant base sectors. Strategic steps to maintain and increase their contribution: Increasing agricultural productivity through the adoption of modern agricultural technology, strengthening irrigation systems, and crop diversification. Developing local processing industries, especially agricultural-based products, to increase added value and create jobs. Based on the latest analysis, the Education, Transportation, and Health Services sectors showed an increase in contribution. Policies that need to be implemented: Expanding access to education through school construction and improving the quality of teaching staff, Encouraging vocational education that is relevant to the needs of the economic sector in TTS. Increasing tourist attractions through the promotion of cultural, natural, and marine destinations, as well as the development of tourism infrastructure such as road access and accommodation facilities, Involving local communities in the management of tourist destinations to create an inclusive economic impact.

With the above policies, TTS Regency can maintain its economic growth, reduce disparities between sectors, and increase welfare.

Timor Tengah Utara

Analysis of the Location Quotient (LQ) of Timor Tengah Utara (TTU) Regency during the 2019-2023 period shows that most sectors in this regency are basic sectors, meaning that these sectors have a significant contribution to the local economy. Sectors such as Agriculture, Manufacturing Industry, and Health and Education Services show high LQ, indicating that they are able to meet local needs well and support the regency's economy. Although some non-basic sectors, such as Transportation and Warehousing and Construction, have lower LQ, these sectors are still important for economic balance and diversity. Overall, TTU shows good potential in developing an economy based on strategic sectors that support local and regional development.

Based on a comparison of the results of the analysis of the Location Quotient (LQ) of Timor Tengah Utara Regency (TTU) for the 2019-2023 period with research(Meo & Tiwu, 2024)There are some significant differences regarding the basic economic sectors. The latest analysis shows that the Agriculture, Manufacturing, and Health and Education Services sectors are the basic sectors that dominate the TTU economy, while(Meo & Tiwu, 2024)identified the Agriculture, Forestry, and Fisheries, Mining and Quarrying, and Transportation and Warehousing sectors as the main base sectors. In addition, the analysis(Meo & Tiwu, 2024)also noted that the Manufacturing Industry and Health Services are non-basic sectors, in contrast to the latest analysis which actually shows these sectors as basic sectors with high LQ. This difference may be due to changes in the economic structure of TTU, which can be influenced by policy developments or new investments in certain sectors. Despite the differences, both analyses agree that the tourism sector still has great potential to support TTU's economic growth, especially with the unique natural and cultural tourism wealth in this district.

Based on the latest analysis, the Agriculture, Manufacturing, and Health and Education sectors are the main base sectors in TTU. To maintain its sustainability, the government needs to increase productivity through modern agricultural technology and strengthening irrigation systems, strengthen local supply chains by involving MSMEs in the production process, improve the quality and capacity of health services, including the provision of adequate medical personnel and health facilities, mDevelop thematic tourism routes that connect various destinations in TTU, such as historical, cultural, and natural tourism, Encourage innovation of local culture-based products, such as handicrafts, traditional culinary, and performing arts, to support the tourism sector.

Kupang

The 2019-2023 Location Quotient (LQ) analysis of Kupang City shows that the city has many strong base sectors and contributes significantly to the local economy. Sectors such as Agriculture, Manufacturing Industry, and Trade Services have very high LQs, with several sectors reaching very large LQ figures such as Manufacturing Industry and Financial Services, which indicate a strong tendency to meet local needs and the city's capacity to generate large economic output. Kupang City also shows stability and growth in base sectors such as Transportation, Trade, and Education, which are important to support the city's economic development. Although some non-base sectors, such as Construction, still have limited contributions, the diversity of sectors based in this city shows considerable economic potential. Overall, Kupang City shows an economy driven by sectors that have high LQs and can be the driving force for regional economic development.

Comparison between the results of the Location Quotient (LQ) analysis of Kupang City in the 2019-2023 period with(Tafui et al., 2019)shows similarities and differences in the sectors identified as basic and non-basic. Both analyses agree that Agriculture and Manufacturing Industry are basic sectors with significant contributions to the economy, with high LQ in both periods. However, there are differences in the Financial Services and Transportation sectors, which are more emphasized in the latest Kupang City analysis as important basic sectors, while(Tafui et al., 2019)does not highlight this sector with the same intensity. In addition, although Construction is a non-basic sector in both analyses, in(Tafui et al., 2019)This sector is recorded as more dominant as a sector with limited contribution, while the latest analysis of Kupang City shows that these sectors still play an important role even though their contribution is limited. Overall, both analyses(Tafui et al., 2019)and the latest reflects that Kupang has strong base sectors, but with different emphases on several sectors that illustrate changes in the dynamics of the city's economy from year to year.

The Agriculture and Manufacturing Industry sectors are the base sectors with significant contributions to the economy of Kupang City. Strategic steps to strengthen this sector include Supporting urban farming to utilize narrow land in urban areas. Encouraging investment in processing local products such as fish, agricultural products, and horticulture. Recent analysis shows that the Financial Services and Transportation sectors are now important base sectors in Kupang City. Policies that can be implemented Increasing public access to inclusive financial services through expanding the network of banks and microfinance institutions, Optimizing sea and airports as regional logistics hubs. To reduce dependence on certain base sectors, economic diversification is important, such as encouraging creative sectors of culinary, handicrafts, and performing arts to support the local economy.

Class Typology Analysis

Klassen's typology analysis of the regional economy in Nusa Tenggara Timur (NTT) Province shows significant variations in terms of GRDP and per capita income between districts/cities. Quadrant I, which describes areas with high GRDP and per capita income, includes Kupang, as the provincial capital, which leads the trade, industry, and government services sectors. Although Kupang has shown rapid progress in terms of infrastructure and higher living standards, social inequality still exists, with remote areas being less developed. On the other hand, areas such as East Flores have great potential in the tourism and fisheries sectors, although per capita income is lower than Kupang, indicating inequality in the distribution of wealth.

tural and tourism sectors, the majority of the population still lives in poverty and the social gap is widening. Infrastructure and unequal access to basic services are the main factors in this inequality. In Quadrant III, which shows high GRDP but low per capita income, there are areas such as West Sumba and Southwest Sumba. Both of these areas have experienced rapid economic growth in the tourism and agricultural sectors, but per capita income remains low due to inequality in the distribution of wealth and limited access to existing economic opportunities.

Finally, Quadrant IV describes areas with low GRDP and per capita income, such as Alor and Timor Tengah Selatan. These areas face major problems in terms of economic growth and community welfare. Despite having potential in the agriculture and fisheries sectors, limited infrastructure, low quality of human resources, and limited access hamper economic

Table 7
Typology Classification of 10 Districts/Cities in Nusa Tenggara Timur Province

Growth Rate (R) \ Per Capita Income (Y)	Yi > Y	Yi < Y
Ri > R	**Fast Developing and Growing Regions**	**Fast Growing Areas**
Ri < R	**Developed But Depressed Region** Sumba Timur Regency Kupang City	**Relatively Underdeveloped Areas** Alor Regency Flores Timur Regency Lembata Regency Sumba Barat Regency Sumba Barat Daya Regency Sumba Tengah Regency Timor Timur Selatan Regency Timor Tengah Utara Regency

Source: Data processed (2024)

In Quadrant II, there are areas such as Sumba Timur which have high GRDP, but their per capita income remains depressed, reflecting inequality in the distribution of economic output. Although Sumba Timur is developing in the agricul-

development. In Alor, for example, despite having potential natural resources, economic development is very limited due to lack of infrastructure and low quality of education. A similar thing happened in Timor Tengah Selatan, where dependence on traditional agriculture hampers further development.

Klassen's typology analysis conducted on the regional economy in NTT shows significant variations in terms of GRDP growth and per capita income between districts/cities, which is in line with the findings(Lona Marthen, 2021). Both identified Kupang City as a Fast Developing Fast Growing area with high GRDP and economic contribution, especially in the trade, industry, and government services sectors. However, differences are seen in several other areas such as Sumba Timur and East Flores.(Lona Marthen, 2021) stated that Sumba Timur is included in the Fast Developing Fast Growing region, while Klassen's analysis classifies this region as a region with high GRDP but an uneven distribution of economic output, with per capita income that remains depressed. In addition, regions such as Timor Tengah Selatan which according to(Lona Marthen, 2021)included in the Advanced but Depressed category, in Klassen's analysis it is also identified as a region with low GRDP and low per capita income, showing challenges in terms of infrastructure and limited economic access. Both analyses agree that there is significant inequality between regions in NTT, both in terms of economic growth and community welfare.

From this analysis, it is celar that although some regions in Nusa Tenggara Timur have shown significant economis development by maximizing their leading sectors, there is still large gap in terms of income equality and wealth distribution due to the lack of adequate infrastructure and human resources. Local government should focus on policies that reduce this inequality by improving infrastructure, improving the quality of education and health, and encouraging the growth of potential sector such as tourism and agriculture that can have a positive impavt on the overall welfare of the community. Inclusive and suistanable development policies are key to creating economic equality throughout Nusa Tenggara Timur Province.

CONCLUSIONS

The conclusion obtained from the analysis of regional inequality in Nusa Tenggara Timur (NTT) during the 2019-2023 period shows that the level of development inequality between districts/cities is still relatively high, with an average Williamson Index of 0.787. This reflects the uneven distribution of development, where some regions experience more rapid economic development than others. Basic sectors in several districts, such as agriculture, government services, and education services, have competitive advantages, but non-basic sectors, such as trade, accommodation, and real estate, still show low contributions to the economy. In addition, through the Klassen Typology analysis, it can be seen that regions such as Kupang are in the first quadrant with high GRDP and per capita income, while regions such as Alor and Timor Tengah Selatan are in quadrant IV with low GRDP and per capita income, indicating significant inequality in the distribution of wealth and access to infrastructure in the NTT region.

Based on a comparison of the results of the Location Quotient (LQ) analysis in several districts and cities in the Province of Nusa Tenggara Timur (NTT), in most areas, the Agriculture, Forestry, and Fisheries sectors and the Processing Industry are the basic sectors that continue to dominate and contribute significantly to the economy. This shows that these sectors remain the main pillars of the NTT economy. In the final analysis, sectors such as Health Services, Education, Transportation, and Financial Services began to emerge as basic sectors that have high LQ, although they were not previously identified as the main basic sectors. This indicates a structural change in the economy, where the service and public service sectors play an increasingly important role in the local economy. In all areas analyzed, tourism continues to be identified as a sector that has great potential to support economic growth. With its natural, cultural, and tourist destination wealth, the tourism sector can be a more inclusive economic driver if managed properly.

With this research, it is hoped that the goverment can develop the potential of each region leading sectors, focus on improving infrastructure, pay special attention to the development of human resources including education and health to realize equity.

For further researchers, the research results are expected to provide a positive contribution as reference material in conducting research with the same theme and as a comparison between theory and actual practice.

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