Indonesian Journal of Banking and Financial Technology (FINTECH)
Vol. 2, No. 4, 2024 : 329 - 346

The Influence of Leading Sectors, Domestic Investment and Population on Regional Original Income (PAD) in Bengkulu Province

Anasthasia Oktaviani. N[1*], Azansyah[2]
Economic Development, University of Bengkulu
Coresponding Author : Anasthasia Oktaviani. N anas22thasia@gmail.com

A R T I C L E I N F O
Keywords: PAD, Leading Sectors, Domestic Investment, Population, GRDP

Received : 04 September
Revised : 25 September
Accepted: 27 October

A B S T R A C T
This research aims to analyze the influence of leading sectors, domestic investment, and population on Regional Original Income (PAD) in Bengkulu Province. Regional economic development is measured through Gross Regional Domestic Product (GRDP), which reflects resource management capabilities and fiscal independence. The data used in this research is secondary data covering the 2019-2023 periode and analyzed using the Location Quotient (LQ) technique and multiple regression methods. The research results show that leading sectors and domestic investment have a significant influence on PAD, while the influence of population varies depending on the sector studied. These findings emphasize the importance of optimizing potential economic sectors and increasing domestic investment to strengthen fiscal independence and regional competitiveness in Bengkulu Province.

DOI: https://doi.org/10.55927/fintech.v2i4.12047
E-ISSN : 2985-5551
https://journal.formosapublisher.org/index.php/fintech

INTRODUCTION

The economic development of a country or region cannot be separated from the economic development activities in it. Development is a process of changing from a backwardness to a better and advanced condition in order to improve the welfare of the community. According to Todaro (2003:28), economic development or growth is a physical reality as well as the determination of a society to try as hard as possible through a series of combinations of social, economic, and institutional processes in order to achieve a better life.

According to Hoba & Fidiana (2022), the purpose of regional autonomy itself is to make the region independent in all government matters and improve public welfare, public services, and regional competitiveness, but of course it does not escape supervision and accountability to the central government.

PAD as one of the regional revenues, reflects the level of regional independence. The larger the PAD, the more it shows that the region is able to implement fiscal decentralization and less dependence on the central government. The policy of decentralization and regional autonomy is regulated by Law No. 32 of 2004 which regulates local government and Law No. 33 of 2004 concerning financial balance between the central government and local governments. Therefore, it is natural for PAD to be used as one of the benchmarks in the implementation of regional development, but the PAD is still not enough to finance development when viewed from the proportion of PAD to the APBD. Some factors that can affect PAD include the GDP of the leading sector, the number of population, and the amount of domestic investment.

Table 1. Provincial PAD/PD Ratio on the Island of Sumatra in 2013-2022

PROV	2013	2014	2015	2016	2017	2018	20219	2020	2021	2022	rata-rata	Kemampuan keuangan daerah
Aceh	12,420	14,915	16,981	16,662	15,862	16,353	17,133	15,129	17,965	18,727	16,215	Kurang
Sumut	55,303	56,830	57,588	47,457	43,217	44,391	44,048	46,202	45,623	54,143	49,480	Baik
Sumbar	43,400	47,560	46,313	42,471	35,175	36,157	36,437	39,730	38,054	42,639	40,794	Sedang
Riau	38,967	39,903	50,310	44,803	42,518	42,918	40,884	36,245	43,168	53,868	43,358	Baik
Jambi	36,861	40,481	39,660	37,213	36,712	37,543	36,088	37,843	39,008	37,841	37,925	Sedang
Bengkulu	30,961	33,836	32,160	31,057	28,688	30,586	28,175	25,560	32,258	36,849	31,013	Sedang
Sumsel	36,972	38,605	42,310	38,679	36,989	38,594	37,602	43,574	40,218	49,250	40,279	Sedang
K.Babel	32,424	32,736	30,302	29,451	31,534	33,260	30,684	40,064	33,067	28,267	32,179	Sedang
Lampung	45,395	50,252	46,944	42,385	40,369	40,347	41,531	38,464	43,506	50,430	43,962	Baik
K.Riau	31,929	36,661	40,269	36,437	33,663	34,876	33,081	37,085	36,111	34,417	35,453	Sedang

Source: Indonesian Central Statistics Agency 2013-2022, Data Processed

From Table 1, it can be seen that the regional financial capacity on the island of Sumatra. Bengkulu Province is included in the medium category in its regional finance. However, in real terms and the field that occurred in Bengkulu is still far below the provinces that both have a medium category.

GDP can explain the ability of regions to manage the various resources they have, so that the value of the amount of GDP in each region varies according to the potentials in the form of natural resources, capital resources, human resources and other production factors in the region itself. This can cause there

to be developed areas and also areas that are left behind, caught up in the potential that the area has and how to manage this potential *to* produce economic benefits that can increase economic growth. In measuring the economic growth in the region, it can be calculated by the amount of Gross Regional Domestic Product (GDP) related to the increase in the production of goods and services so that it can find out how the economic condition in a region is in a certain period of time. (Fisanti, 2013)

According to Halim (2005:1), investment is essentially the placement of a number of funds at this time with the hope of obtaining profits in the future. Winardi (1979) distinguishes investment, namely state investment (government investment), private investment (private investment), in addition to foreign investment by foreign governments and foreign private parties. In investment, two main objectives are included, namely to replace part of the provision of damaged capital (depreciation) and additional provision of existing capital (net investment).

Adam Smith explained that, supported by empirical evidence, high population growth will be able to increase output through the addition of market levels and expansion of both domestic and foreign markets and population growth is a necessity and not a problem, but an important element that can spur economic development and growth. The amount of income can affect the population.

According to Gde Bhaskara and A.A Bagus (2014), the population is one of the determining factors for the disparity in regional original income. Population growth is a necessity, and not a problem, but an important element that can stimulate economic development and growth.

Development that is supported by the priority of the development program of superior local economic potential, Domestic Investment, Population and PAD in the area can increase the competitiveness and independence of the region. Therefore, the researcher was interested and poured it in the form of an article research entitled "The Influence of Leading Sectors, Domestic Investment and Population on PAD"

LITERATU REREVIEW

The Influence of the Agriculture, Forestry and Fisheries Sectors on PAD

The Agricultural Sector is more participatory in reducing unemployment and community welfare so that it is only enough to increase individual or household income and does not have a significant influence on PAD. This result is in accordance with research from (Beatrik Okta Dwita, 2017) concluding that the agricultural sector has no effect on PAD.

The Influence of the Accommodation and Food and Beverage Sector on PAD

The relationship between the Accommodation and Food and Beverage Provision Sector to the regions has positive results, which can be seen from the government's support in facilitating the development of the sector. This result is in accordance with research from (Nadila Dwi and Inayati Nuraini. 2021) concluding that the contribution of the value of the Accommodation Provision Sector has a significant effect on PAD.

The Influence of the Government Administration, Defense and Compulsory Social Security Sectors on PAD

The relationship between the Government Administration, Defense and Compulsory Social Security sectors has different results, there are positive and negative effects, this can be seen from the size or small interference of the government in developing the sector. This result is in accordance with research from (Henta Ferdiani. 2018) concluding that the Government Administration, Defense and Compulsory Social Security Sectors have very low growth towards PAD.

The Influence of Domestic Investment on PAD

The role of the country/provincial investment economy is the creation of an investment climate that supports increasing production in each economic or industrial sector. This result is in accordance with research from (I Gusti Ayu Made. 2023) concluding that investment has a significant effect on PAD.

The Influence of Population on PAD

The existence of the population is related to economic activities, namely production and consumption. The increasing number of the population, especially the age of the working force, makes it possible to increase the production of goods and services that use them as production factors. Furthermore, the population will get income which will later be used for consumption, so that taxes, levies and others from the goods and services produced become regional/city/district income. This result is in accordance with research from (Rokhmanasari 2018). This means that the more the population increases, the higher the level of PAD realization received for PAD.

Previous Research

Dwila and Alando (2018). The data analysis techniques used are *Location Quotient* and *Shift Share analysis*. Based on the results of this analysis, Lamongan Regency is a forestry and agriculture sub-sector, including the mainstay sector. The results of *the Shift Share analysis* indicate that the growth of the agricultural sector in East Java Province has a positive effect on the growth of the agricultural sector in Lamongan Regency.

Moh. Khusaini (2015). The data analysis technique used is *Shift Share* analysis with the *Location Quotient* (LQ) approach. Hail's research shows that the agriculture, mining, and manufacturing sectors are the strongest sectors contributing to net *shifts* with a total of more than 25 percent. Identifying investment priorities in these pontecial sectors, the implementation of comprehensive regional development policies, will definitely accelerate Banyuwangi's economic growth.

(Adriyani, 2018) With the title of Leading Sectors for PAD in Mimika in 2010-2017.The data analysis techniques used are Location Quotient Analysis, Typology Analysis, and Multiple Linear Regression Analysis.The results of the study show that the leading sectors in Mimika Regency are the Agriculture, Forestry, and Fisheries sectors, as well as the Government Administration, Defense and Compulsory Social Security sectors, and the Superior Sectors have

a significant influence on the PAD of Mimika Regency which is shown by obtained an Fcal value of 11.352 which is greater than the Ftabel value of 5.79 at a confidence level of 90%.

(Aprila, 2021) With the title The Influence of Leading Economic Sectors on Regional Original Income (PAD) of Kutai Kartanegara Regency in 2010-2019. The data analysis technique used is quantitative descriptive using the Location Question (LQ) analysis tool and the Ordinary Least Square (OLS) method with a multiple linear regression analysis model. The results of the study show that (1) There are 2 leading sectors, namely the agricultural sector and the mining sector with an LQ>1 value. (2) Partially, superior sectors were obtained that had a positive and significant effect on PAD in Kutai Kartanegara Regency in 2010-2019. (3) Together, these leading sectors have an effect on the PAD of Kutai Kartanegara Regency in 2010-2019.

(Sianturi & Tanjung, 2020) With the title The Influence of the Economic Sector on Regional Original Income (PAD) in Dairi Regency from 2015-2019. The data analysis technique used is the *Location Quotient* (LQ) and *Shift Share*. The results of the study show that Dairi Regency has one superior sector out of seventeen existing economic sectors, namely the construction sector. The construction sector has a significant influence on the increase in Dairi Regency's Regional Original Income.

(LESTARI, 2017) With the title The Role of the Base Sector in Increasing Regional Original Income (PAD) of Sarolangun Regency for the 2001-2012 Period.The data analysis techniques used are Location Quotient Analysis (LQ) and Simple Regression Analysis. The results of the study show that the development of PAD in Sarolangun Regency for the period 2001-2012 is an average of 25.9 percent. There are 3 (three) base sectors, namely the agricultural sector, the mining sector and the trade sector with an LQ value of > 1. By using a simple regression model, the three base sectors have a positive and significant effect on the increase in PAD in Sarolangun Regency.

(Winjaya & Taufiq, 2023) With the title Analysis of the Base Sector and Its Influence on the Original Income of the Horseshoe Region of East Java with a Study of the Period 2017 to 2021 The data analysis technique used is LQ analysis and Multiple linear regression analysis to determine the influence of the base sector and the non-base sector on the PAD of the Horseshoe region. The results of the study show that (1) From the results of the LQ analysis, there are 3 regions that have a base sector, namely Probolinggo City, Situbondo Regency, and Bondowoso Regency. The distribution of the base sectors is the Agriculture, Forestry, and Fisheries Sector and Other Service Sectors. (2)The regression results show that the base sector and the non-base sector have a positive and significant influence on PAD in the Horseshoe region both simultaneously and partially.

Chakim (2011) with the title Factors Affecting PAD in Madiun Regency in 1991-2010j, The data analysis technique used is Multiple Regression using variables of population number, GDP, government expenditureThe results of this study show that all independent variables partially and simultaneously have a significant influence on PAD

Tama, Nuthayati (2017) with the title of analyzing factors that affect local original income (PAD) in cities/districts in Surakarta residency. By using variables of population and government expenditure and using regression analysis techniques of panel data. The results of this study show that GDP does not have a significant effect on regional original income (PAD) while the number of population and government expenditure have an effect on regional original income (PAD)

Prana (2016) with the title Analysis of Factors Affecting Regional Original Income (PAD) of Tebing Tinggi City. The results of this study show that GDP does not have a significant effect on regional original income (PAD) while the number of population affects regional original income (PAD)

Asmuruf, Makdalena.F., Viki A. Rumante and George M.V. K. (2015) This study aims to analyze the influence of GDP and Population on PAD in Sorong City, using the variables of population and GDP, with multiple regression analysis analysis techniques obtained The results of the GDP research have no effect on PAD in Sorong City, but the Number of Population affects PAD in Sorong City

Triani and Kuntari (2010) With the title of analyzing the Influence of Macro Variables on Regional Original Income in Karanganyar Regency in 2003-2007, using the Variables of GDP, Population and Inflation and using the Panel Data Regression Analysis Technique, the Variables of GDP have a Positive and significant effect on PAD. The Population Variable has a Positive and Significant Effect on PAD The Inflation Variable has a positive and significant effect on PAD.

Togu Harlen Lbn Raja and Putra Raja Tunggah Hasugian (2018) with the title Influence Product Domestic Regional Gross (GDP), Total Population, and Capital Expenditures on Regional Generated Reveneue (A Case Study in Distric and Towns in North Sumatra Province (2010-2015). Total Population and Capital Expenditure have a positive and significant influence on Regional Natural Income in North Sumatra.

Analysis Framework

In the development of a certain area, the potential is very important, especially in realizing a good economic level. In accordance with the background and objectives of the research, the schematically the framework of this research analysis is as follows:

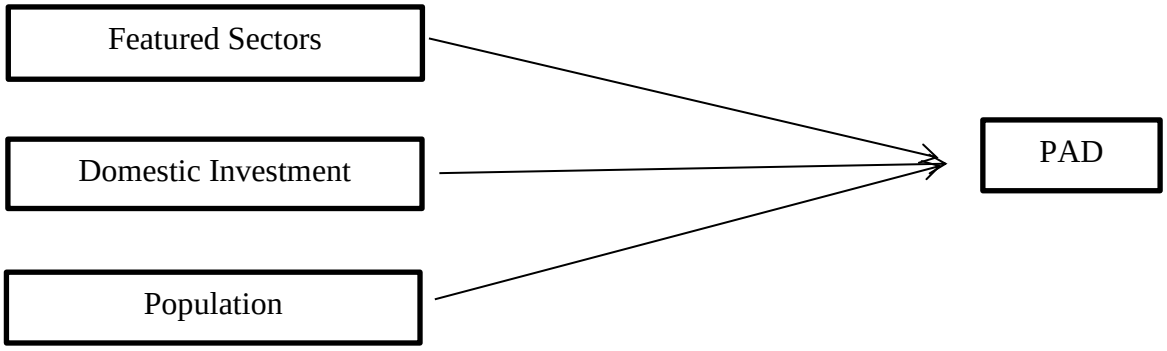

Figure 1. Research Outline

METHODOLOGY

Types and Design of Research

This type of research is a quantitative descriptive research which means describing or describing the state of a region (region) systematically with the help of vailid numbers from reliable sources and then scarce, then a data analysis is carried out to solve the existing problems. All of these analyses try to depict consistent patterns in the data, so that the results can be studied and interpreted briefly and meaningfully (Kuncoro, 2003)

Type, Source, Data Collection Method

Data Type

The type of data used in this study is secondary data obtained from the results of second-party management (external data) and data used in the form of Gross Regional Domesticated Products (GDP) and Regional Original Revenue (PAD) data in Bengkulu Province which is annual data, namely the 2019-2023 period.

According to Sugiyono (2008), secondary data sources are sources that do not directly provide data to data collectors, for example through other people or through previous documents, namely taken from reports, research journals, magazines and other literature materials related to this research.

Data Source

The data used in this study is secondary data. Secondary data is obtained/collected directly or indirectly, namely:

1. Central Statistics Agency of Bengkulu Province
2. Central Statistics Agency for Each Regency and City in Bengkulu Province
3. Agriculture Office in Bengkulu Province
4. Trade Office in Bengkulu Province
5. Other supporting data that are related to the research topic/discussion.

The data collected is data on the Gross Regional Domistic Product (GDP) of Regencies, Cities and Provinces from 2019-2023 on the basis of constant prices in 2010. According to BPS Bengkulu Province GDP on the basis of constant prices, namely all products of goods and services produced are assessed by the price in the previous year seen in the base year, where the calculation in this study uses 2010 as the base year. Regional Original Revenue (PAD) of Regencies, Cities and Provinces from 2019-2023.

Data Analysis Methods

The methods used in analyzing the data in this study are as follows:

Location Quotient (LQ)

To find out whether the agricultural sector and the regency/city trade sector in Bengkulu Province are basic or non-basic sectors and have the potential or not potential for the same sector compared to other regions in Bengkulu Province, the LQ technique is used, in this study it is divided into two, namely Static LQ / *Static Location Quotient* (SLQ) and Dynamic LQ / *Dynamic Location Quotient* (DLQ), which are as follows:

1. SLQ=$\frac{Xij/Xj}{Xin/Xn}$

Information:

Xij : 17 Regency/City GDP sectors in Bengkulu Province.
Xj : Total GDP of the Regency/City sector in Bengkulu Province.
Please : 17 sectors of GDP in Bengkulu Province.
Xn : Total GDP of the sector of Bengkulu Province.

2. DLQ=$\frac{(xij)(1+Gij)t}{(Xj)(I+Gj)t}$ / $\frac{(Xin)(1+Gin)t}{(Xn)(1+Gn)t}$

Information:

Xij :17 Regency/City GDP sectors in Bengkulu Province.
$(1+Gij)^t$:P growth of 17 regency/city GDP sectors in Bengkulu Province.
Xj :P DRB total Regencies/Cities in Bengkulu Province.
$(1+Gj)^t$:P growth of the total sector of Regencies/Cities in Bengkulu Province.
Please : 17 sectors of GDP in Bengkulu Province.
$(1+Gin)^t$:P growth of sector 17 sectors of GDP in Bengkulu Province.
Xn : GDP of the total sector of Bengkulu Province.
$(1+Gin)^t$: Total sector growth in the Bengkulu Province area

After calculation, the conclusions are produced:

1. If SLQ and DLQ are a sector >1, then the sector can be said to be a superior sector or base and has the potential so that the economy in a Regency/City has a great opportunity to meet the needs of other regions for products with their own sector and have the potential to excel in the future.
2. If SLQ and DLQ are a sector <1, then the sector can be said to be not a superior sector or not a base and has no potential so that it can be said that the Regency/City lacks products for the sector, must bring it from other regions and does not have the potential to excel in the future.
3. If the SLQ and DLQ of a sector = 1, then the sector has a contribution only enough to meet its own needs and the potential is fixed.

Classic Shere Shift

Shift Share analysis is one of the tools used to analyze the growth of economic movements in a region. The form of Shift Share analysis formula and its commonly used components are as follows:

Information:

i : Economic sectors being studied
j : Region studied
Dij : Changes in GDP of sectors and sub-sectors i in the regions studied
Nij : GDP growth in sector i in the regions studied
Mij : Industrial mix of sector i in the studied area
Cij : Competitive advantages of sector i in the studied area

Panel Data Regression

Panel Data Regression This research method uses a quantitative approach, which aims to make the research conducted more objective based on the data produced, which then the data results are associated with existing theories and are free from the influence of the author's subjective opinion.

In analyzing the data, this study uses the help of the eviews 9 program, with the dependent variable PAD (Y), while the independent variables are the Agriculture, Forestry and Fisheries Sector X1), the Accommodation and Food and Beverage Provision Sector (X2), the Government Administration, Defense and Compulsory Social Security Sector (X3), Domestic Investment (X4) and the Number of Population (X5). To determine the influence of dependent variables on independent variables, the following model can be formulated:

PAD = f(X1,X2,X3,X4,X5) The equation used is as follows:

$Yit = \beta 0it + \beta 1X1it + \beta 2X2it + \beta 3X3it + eit$

Information:

Yit = Regional Original Income

X1it = Agriculture, Forestry and Fisheries Sector

X2it = Accommodation and Food and Beverage Provision Sector

X3it = Government Administration, Defense and Compulsory Social Security Sectors

X4it = Domestic Investment

X5it = Total Population

$\beta 0, \beta 1, \beta 2, \beta 3$ = regression coefficients

EIT = Standard Error

RESEARCH RESULTS AND DISCUSSION

Hypothesis Test Analysis

1. Advantages of the Base

In analyzing the Agriculture, Forestry and Fisheries Sector, the Accommodation and Food and Beverage Provision Sector and the Government Administration, Defense and Compulsory Social Security Sectors that have Regency/City advantages in Bengkulu Province were carried out using the Gross Regional Domestic Product (GDP) data approach from 2019-2023. The results of the static location quotient (SLQ) calculation can be seen in the table below:

Table 2. Results of Static Location Quotient (SLQ) Calculation of the Agriculture, Forestry and Fisheries Sector of Regencies/Cities in Bengkulu Province in 2019-2023

Category Business Field GDP						
	SLQ					LQ AVERAGE
	2019	**2020**	**2021**	**2022**	**2023**	
BKL						
REJ LEBONG	1.08	1.08	1.09	1.09	1.09	1.09
BENGKULU CITY	4.95	4.95	4.97	4.90	5.02	4.96
CENTRAL BKL	5.48	5.52	5.47	5.52	5.39	5.48
KAUR	10.06	9.95	10.02	9.97	10.08	10.01
SELUMA	9.39	9.40	9.27	9.11	8.99	9.23

LEBONG REGENCY	4.71	4.72	4.79	4.88	4.87	4.79
MUKO-MUKO	12.89	12.95	12.93	12.99	13.29	13.01
KEPAHIANG	6.20	6.12	6.16	6.21	6.21	6.18
NORTH BENGKULU	13.01	13.02	13.01	12.98	12.99	13.00
SOUTH BENGKULU	4.55	4.56	4.55	4.50	4.47	4.53

Source: Research Results (2024).

Table 3. Results of Static Location Quotient (SLQ) Calculation of the Accommodation and Food and Beverage Sector in Bengkulu Province in 2019-2023.

Category Business Field GDP						
	SLQ					LQ AVERAGE
	2019	**2020**	**2021**	**2022**	**2023**	
BKL						
REJ LEBONG	1.10	1.11	1.11	1.10	1.09	1.10
BENGKULU CITY	20.24	20.16	20.30	20.59	20.71	20.40
CENTRAL BKL	1.44	1.45	1.44	1.42	1.42	1.43
KAUR	9.33	9.86	10.23	10.25	10.25	9.98
SELUMA	4.74	4.50	4.35	4.35	4.34	4.46
LEBONG REGENCY	4.77	4.81	4.86	4.86	4.90	4.84
MUKO-MUKO	13.02	12.77	12.75	12.82	13.04	12.88
KEPAHIANG	8.91	8.90	8.90	8.97	8.90	8.92
NORTH BENGKULU	5.69	5.67	5.65	5.62	5.60	5.65
SOUTH BENGKULU	12.89	12.94	13.04	13.05	13.04	12.99

Source: Research Results (2024).

Table 4. Results of Calculation of Static Location Quotient (SLQ) for Government, Defense and Compulsory Social Security Administration of Regencies/Cities in Bengkulu Province in 2019-2023

Category Business Field GDP						
	SLQ					LQ AVERAGE
	2019	**2020**	**2021**	**2022**	**2023**	
BKL						
REJ LEBONG	1.10	1.08	1.08	1.08	1.09	1.08
BENGKULU CITY	13.29	13.74	13.83	13.86	13.79	13.70
CENTRAL BKL	3.15	3.11	3.11	3.11	3.11	3.12
KAUR	3.16	3.13	3.15	3.15	3.15	3.15
SELUMA	11.83	11.65	11.32	11.32	11.35	11.49
LEBONG REGENCY	6.79	6.82	7.06	7.06	7.07	6.96
MUKO-MUKO	7.48	7.58	7.53	7.55	7.60	7.55

KEPAHIANG	12.22	12.28	12.29	12.23	12.06	12.21
NORTH BENGKULU	8.48	8.40	8.37	8.41	8.52	8.43
SOUTH BENGKULU	6.31	6.18	6.23	6.20	6.25	6.23

Source: Research Results (2024).

For the results of SLQ, there are only 3 sectors that are the base sectors in Bengkulu Province, namely Agriculture, Forestry and Fisheries Sector, Accommodation and Food and Beverage Provision Sector and Government Administration Sector, Defence and Compulsory Social Security.

2. Comparative Advantages

Table 5. Results of Shift Share of the Classic Model of the Agriculture, Forestry and Fisheries Sector of Bengkulu Province in 2019-2023.

Category Business Field GDP	CLASSIC SHIF SHARE			
	Nij	Mij	Cij	Dij
BKL				
REJ LEBONG	33.73615	-8.66776	3.363806	28.4322
BENGKULU CITY	21.90627	-27.5346	26.63756	21.00923
CENTRAL BKL	15.74364	-19.7886	15.94767	11.9027
KAUR	20.76494	-26.1	20.98922	15.65413
SELUMA	25.58828	-32.1626	12.78345	6.209107
LEBONG REGENCY	15.822	-19.8871	12.90141	8.836301
MUKO-MUKO	26.75648	-33.631	30.05363	23.17914
KEPAHIANG	21.76055	-27.3514	24.05687	18.46597
NORTH BENGKULU	37.12374	-46.6619	39.52977	29.99164
SOUTH BENGKULU	22.15256	-27.8442	18.85739	13.16578
Total	241.3546	-269.629	205.1208	176.8462

Source: Research Results (2024)

Table 6. Results of Shift Share of the Classic Model of the Accommodation and Food and Beverage Provision Sector of Bengkulu Province in 2019-2023.

Category Business Field GDP	CLASSIC SHIF SHARE			
	Nij	Mij	Cij	Dij
BKL				
REJ LEBONG	4.272506	1.518061	-0.25318	5.537389
BENGKULU CITY	11.34315	-7.31282	11.99498	16.0253
CENTRAL BKL	2.146257	-1.38367	2.057418	2.820003
KAUR	2.626436	-1.69324	3.894563	4.82776
SELUMA	1.63261	-1.05253	1.5737	2.153781
LEBONG REGENCY	1.021836	-0.65877	1.124321	1.487389
MUKO-MUKO	1.745743	-1.12546	1.906399	2.526678
KEPAHIANG	2.041127	-1.3159	2.181626	2.906857
NORTH BENGKULU	1.52457	-0.98288	1.469301	2.010995
SOUTH BENGKULU	2.576963	-1.66134	2.622507	3.538126
Total	30.9312	-15.6685	28.57163	43.83428

Source: Research Results (2024)

Table 7. Results of Shift Share of the Classic Model of Government Administration, Defense and Compulsory Social Security of Regencies/Cities in Bengkulu Province in 2019-2023.

Category Business Field GDP				
	CLASSIC SHIF SHARE			
	Nij	Mij	Cij	Dij
BKL				
REJ LEBONG	12.15255	-1.81151	-2.02872	8.312327
BENGKULU CITY	21.18181	-24.3393	24.94199	21.78454
CENTRAL BKL	8.751888	-10.0565	9.095848	7.791257
KAUR	3.628438	-4.16931	3.602971	3.062102
SELUMA	5.630427	-6.46972	3.120597	2.281304
LEBONG REGENCY	5.01385	-5.76123	4.709903	3.962519
MUKO-MUKO	4.91772	-5.65077	5.275846	4.542791
KEPAHIANG	7.879985	-9.05461	7.265369	6.090747
NORTH BENGKULU	8.761889	-10.068	8.287767	6.981685
SOUTH BENGKULU	7.248509	-8.329	6.005438	4.924946
Total	85.16707	-85.7099	70.27701	69.73422

Source: Research Results (2024)

Table 5 shows a comparison of the results of the analysis *of the Classic Shift Share Model* for the Agriculture, Forestry and Fisheries Sector, the Accommodation and Food and Beverage Provision Sector and the Government Administration Sector, Defense and Compulsory Social Security for Regencies/Cities in Bengkulu Province in 2019-2023. It can be seen that the performance of Dij in all Regencies/Cities in Bengkulu province has a positive value. This happens because the Nij value mix also has a great influence on every Regency/City in Bengkulu Province and also the Nij mix value is influenced by the total GDP growth of Bengkulu Province. The overall value of the Mij industrial mix is negative because the growth of the three sectors is slower than the growth rate of the total GDP of Bengkulu Province.

3. Panel Data Regression

Table 8. Panel Data Regression Results Using Fixed Effect Model

Variable	**Cofficient**	**Std. Error**	**t-Statistic**	**Prob**
C	**210.156400**	37.625640	5.585458	**0.000000**
Sec. Agriculture	**-0.064719**	0.033652	-1.923154	**0.062600**
Sec. Provision	**0.625561**	0.294662	2.122976	**0.040900**
Sec. Administration	**-0.054062**	0.113452	-0.476521	**0.636700**
Investment	**0.007928**	0.001533	5.171075	**0.000000**
A. Residents	**-1080.865000**	194.513900	-5.556752	**0.000000**
R Squared	**0.977103**	Mean Depandet Var		77.682750
Adj R-S	0.967944	S.D.Dependent Var		41.355360
F-stats	9.774738	Durbin-Watson stat		3344.093000
Prob(F-static)	**0.000000**			2.335077

Source : Data processed by the Author, 2024

The results of the regression estimation using panel data found that the variable coefficients of the Accommodation and Food and Beverage Provision Sector and Domestic Investment had a positive influence on PAD in Bengkulu Province of 0.625561 and 0.007928 and the variable coefficient of Population had a negative influence on PAD in Bengkulu Province of -1080.865.

Based on Table 8, the results of the t-test, the F-test and the determination coefficient from the results of this research data can be known. The details of each statistical test result are as follows:

Test t

The t-test or partial test is used to see the significance of the influence between the Agriculture, Forestry and Fisheries Sector, the Accommodation and Food and Beverage Provision Sector, the Government Administration Sector, Defense and Compulsory Social Security, Domestic Investment and the Number of Population on PAD in Bengkulu Province. Based on the regression results in Table 8, it can be seen that:

1. The constant value is 210.1564 and the probability value is 0.0000 and less than α (0.05), this result shows that if all independent variables have a value of zero, then the GDP per capita is 210.1564 rupiah.
2. The t-statistical value of the Agriculture, Forestry and Fisheries Sector variable is -1.923156 and the probability is 0.0626. The t-statistic value is negative and the probability value of this t-statistic is greater than α (0.05) so it can be concluded that partially the Agriculture, Forestry and Fisheries Sector does not have a significant effect on PAD in Bengkulu Province.
3. The t-statistical value of the variable in the Accommodation and Food and Beverage Provision Sector is 2.122976 and the probability is 0.0409. The t-statistic value is positive and the probability value of this t-statistic is smaller than α (0.05) so it can be concluded that partially the Accommodation and Food and Beverage Provision Sector has a significant effect on PAD in Bengkulu Province.
4. The t-statistical value of the variable Government Administration, Defense and Compulsory Social Security Sector is -0.476521 and the probability is 0.06367. The t-statistic value is negative and the probability value of this t-statistic is greater than α (0.05) so it can be concluded that partially the Government Administration, Defense and Compulsory Social Security Sectors do not have a significant effect on PAD in Bengkulu Province.
5. The t-statistical value of the Domestic Investment variable is 5.171075 and the probability is 0.0000. The t-statistic value is positive and the probability value of this t-statistic is smaller than α (0.05) so it can be concluded that partially Domestic Investment has a significant effect on PAD in Bengkulu Province.
6. The t-statistical value of the Population Count variable is -5.556752 and the probability is 0.0000. The t-statistic value is negative and the probability value of this t-statistic is smaller than α (0.05) so it can be concluded that partially the Population has a significant effect on PAD in Bengkulu Province.

Test F

The F test is used to see whether or not there is a joint influence between the variables of the Agriculture, Forestry and Fisheries Sector, the Accommodation and Food and Beverage Provision Sector, the Government Administration Sector, Defense and Compulsory Social Security, Domestic Investment and the Number of Population on PAD in Bengkulu Province. Using the fixed effect model, the F-statistic value is 0.007928 and the probability is 0.0000. The value of the F-statistic is positive and the probability value of this F-statistic is smaller than α (0.05) so it can be concluded that the Agriculture, Forestry and Fisheries Sector, Accommodation and Food and Beverage Provision Sector, Government Administration Sector, Defense and Compulsory Social Security, Domestic Investment and Population have a joint effect on PAD in Bengkulu Province.

Coefficient of Determination (R2)

R square is a value that shows how much the independent variable is able to explain the dependent variable. Based on Table 3, it can be seen that the magnitude of the Adjusted R-squared value is 0.977103. This shows that 97.71 percent of the variation of PAD variables in Bengkulu Province can be explained by the variables of the Agriculture, Forestry and Fisheries Sector, Accommodation and Food and Beverage Provision Sector, Government Administration Sector, Defense and Compulsory Social Security, Domestic Investment and Population.

Discussion

The Influence of the Agriculture, Forestry and Fisheries Sectors on PAD

Based on the regression results, it shows that the Agriculture, Forestry and Fisheries Sector in Bengkulu Province has a t-statistic of -1.923156 and a probability of 0.0626 and a regression coefficient value of -0.064719. This illustrates that the Agriculture, Forestry and Fisheries Sector has a negative and insignificant influence on PAD in Bengkulu Province. This result is in accordance with research from (Beatrik Okta Dwita, 2017) concluding that the agricultural sector has no effect on PAD.

The Influence of the Accommodation and Food and Beverage Sector on PAD

Based on the regression results, it shows that the Accommodation and Food and Beverage Provision Sector in Bengkulu Province has a t-statistic of 2.122976 and a probability of 0.0409 and a regression coefficient value of 0.625561. This illustrates that the Accommodation and Food and Beverage Provision Sector has a positive and significant influence on PAD in Bengkulu Province.

This result is in accordance with research from (Nadila Dwi and Inayati Nuraini. 2021) concluding that the contribution of the value of the Accommodation Provision Sector has a significant effect on PAD.

The Influence of the Government Administration, Defense and Compulsory Social Security Sectors on PAD

Based on the regression results, it shows that the Government Administration, Defense and Compulsory Social Security Sector in Bengkulu Province has a t-statistic of -1.923156 and a probability of 0.0626 and a regression coefficient value of -0.064719. This illustrates that the Agriculture, Forestry and Fisheries Sector has a negative and insignificant influence on PAD in Bengkulu Province.

The Influence of Domestic Investment on PAD

Based on the regression results, it shows that Domestic Investment in Bengkulu Province has a t-statistic of 5.171075 and a probability of 0.0000 and a regression coefficient value of 0.007928. This illustrates that Domestic Investment has a positive and significant effect on PAD in Bengkulu Province.

This result is in accordance with research from (I Gusti Ayu Made. 2023) concluding that investment has a significant effect on PAD.

The Influence of Population on PAD

Based on the regression results, it shows that the Population in Bengkulu Province has a t-statistic of -5.556752 and a probability of 0.0000 and a regression coefficient value of -1080.865. The population has no effect on PAD.

CONCLUSION AND RECOMMENDATIONS

Based on the results of the analysis using the SLQ method and The Shift Share Classic Model of Bengkulu Province only has 3 main base sectors, namely the Agriculture, Forestry and Fisheries Sector, the Accommodation and Food and Beverage Provision Sector and the Government Administration, Defense and Compulsory Social Security Sectors. The performance of DiJ in all Regencies/Cities in Bengkulu province has a positive value. This happens because the Nij value mix also has a great influence on every Regency/City in Bengkulu Province and also the Nij mix value is influenced by the total GDP growth of Bengkulu Province. The overall value of the Mij industrial mix is negative because the growth of the three sectors is slower than the growth rate of the total GDP of Bengkulu Province.

Based on the results of the analysis using FEM, it can be concluded that the independent variables of the Accommodation and Food and Beverage Provision and Investment Sector together have a positive and significant effect on PAD in Bengkulu Province. The independent variables of the Agriculture, Forestry and Fisheries Sector, Government Administration Sector, Defense and Compulsory Social Security and Population Number have a negative and insignificant effect on PAD in Bengkulu Province.

Recommendations

For the next researcher to get a broader research insight, it is hoped to add other sectors that affect the economy of the Regency/City and add research on the mainstay sub-sectors in each Regency/City area so that the results are more

varied and more complex. The next researcher also needs to renew the research period.

Suggestion

The Bengkulu Provincial Government can increase PAD by improving the performance of the Accommodation, Food and Beverage and Investment Sector.

ADVANCED RESEARCH

The sample in this study only researches in Bengkulu Province so that the results of the research cannot be generalized to other types of islands, In this study it is limited to using only 5 independent variables such as the Agriculture, Forestry and Fisheries Sector, the Accommodation and Food and Beverage Provision Sector, the Government Administration Sector, Defense and Compulsory Social Security, Domestic Investment and the Number of Population. In this study, only a 5-year period was used because of difficulties in obtaining data.

REFERENCES

Aggraeny Puspaningtyas, dkk. (2012). Analysis of Local Economic Potential and Competitiveness Economic Sector in Improving Local Economic Development (Study in Batu City). *Jurnal Administrasi Publik*, 3(1): 151-156.

Ayubi, A. (2014). Analisis Potensi Eknomi Kabuapaten Bayuwangi. *Jurnal Ekonomi Pembangunan,* 12 (1): 4-15

Bahri, S. (2018). *Analisis Peran Sektor Pertanian Terhadap Perekonomian Kabupaten Sragen Tahun 1999-2014*. Skripsi Diterbitkan. Program Studi Ekonomi Pembangunan. Surakarta: Universitas Muhammadiyah. http://eprints.ums.ac.id/60128/1/Naskah%20Publikasi%20pdf.pdf. (Diakses pada tanggal 6 Febuari 2021, pukul 15:38 WIB).

Basuki, A. (2009). Analisis Potensi Unggulan Kabupaten Keepulauan Yapen dalam Menopang Pembangunan Provinsi Papua Tahun 2004-2008. *Jurnal Ekonomi*, 32 (17):5-18.

Bulegalangi Alfredo Nursanto. (2013). *Analisis Pertumbuhan Ekonomi dan Identitas Sektor Potensial Kota Bengkulu*. Skripsi tidak diterbitkan. Bengkulu: Jurusan Ekonomi Pembangunan Universitas Bengkulu.

Fadma, R. (2014). *Analisis Potensi Ekonomi Sektoral di Kabupaten Trenggalek Tahun 2008-2013. Skripsi Diterbitkan. Program Studi Ilmu Ekonomi dan Studi Pembangunan*. Malang: Universitas Muhammadiyah. http://eprints.umm.ac.id/24486/1/jiptummpp-gdl-ririserist-38283-1-pendahul-n.pdf. (Diakses pada tanggal 2 Maret 2021, pukul 19.54 WIB).

Jui Rompas, dkk.(2015). Poetensi Sektor Pertanian dan Pengaruhnya Terhadap Penyerapan Tenaga Kerja di Kabupaten Minahasa Selatan. *Jurnal Berkala Ilmiah Efisiensi*, 15(4): 124-136

Hasriandi. (2014). *Analisis Sektor Ekonomi Unggulan Kabupaten Kolaka Utara*, Skripsi Diterbitkan. Program Studi Ilmu Ekonomi. Makasar: Universitas Hasanuddin. https://core.ac.uk/download/pdf/25496529.pdf. (Diakses pada tanggal 2 Maret 2021, pukul 19.58 WIB).

Himani. (2014). An Analysis of Agriculture Sector in Indian Economy. *Journal of Humanities and Social Science,* 19(1): 47-54.

Karlina Nike. (2016). *Analisis Sub Sektor Perikanan Kota Bengkulu tahun 2004-2013*. Skripsi tidak diterbitkan. Bengkulu: Jurusan Ekonomi Pembangunan Universitas Bengkulu.

Khusaini, M. (2015). A Shift-Shere Analysis on Regional Competitiveness-a case of Bayuwangi District, East Java, Indonesia. *Journal Procedia Social and Bahavioral Sciences*, 1(211): 738-744.