

Research Article

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Income Disparities and Regional Economic Potential in East Kalimantan Province as the National Capital (IKN) New Capital City of Indonesia Nusantara

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Abstract: *The government has announced plans to move the national capital (IKN) to East Kalimantan Province and this was agreed at the DPR RI Plenary Meeting in early 2022. The aim of this research is to analyze disparities in income & economic potential between Regency/City regions in the IKN region of East Kalimantan Province. The data used in this research uses secondary data from 2017-2022. The analytical tools used are the Williamson Index, Location Quotient and Shift Share Analysis and Klassen Typology. The software used for analysis is Microsoft Excel 2010. The research results show that the Williamson Index figure in East Kalimantan Province for the last five years is 0.473, indicating that the value is in the medium level inequality category. Meanwhile, the classification of regions based on region uses the Klassen Typology with a regional approach divided into: Developed and fast growing regions, West Kutai Regency and East Kutai Regency; Developed but depressed areas, namely Bontang City and Kutai Kartanegara Regency; Areas that are developing quickly but are not advanced, namely, Balikpapan City, Samarinda City, Berau Regency and Mahakam Ulu Regency; The relatively underdeveloped areas are Paser Regency and North Penajam Paser Regency. Research results based on LQ analysis state that there are 2 cities that have the largest total base sectors, namely Balikpapan and Samarinda. If you look at the shift share analysis with indicators for assessing regional share growth components in East Kalimantan Province, there are 7 sectors that have positive values, and there are only 3 sectors that still have negative values.*

Keywords: *Disparity, Indeks Williamson, Location Quotient, Shift-Share, Typology Klassen.*

Introduction

Economic development is a necessity if a country or region wants to improve the standard of living and welfare of its population, in the sense that the population is not poor, has a sufficient economy so that it can fulfill its needs and desires. In general, economic development is directed so that people's income increases continuously, followed by the best possible distribution. However, economic development is not only focused on economic aspects, but is a multidimensional process that includes major changes in the social structure, efforts to reduce and eliminate poverty, income inequality and unemployment rates or efforts to create employment opportunities for a more evenly distributed population. (Todaro & Smith, 2012)

Development plans in Indonesia include national development plans and regional development plans. In other words, economic development is not only the central government's agenda, but a region also carries out regional development, because regions are an integral part of a country. In the regional context, economic development is a series of activities carried out by the regional government together with the community in managing and utilizing existing resources optimally to stimulate the development of economic activities in the area. Cooperation between regional governments and the community in managing their regions will run optimally because it is supported by the implementation of regional autonomy which

is marked by the enactment of the law on Regional Government, namely Law no. 22 of 1999 and Law no. 32 of 2004 which has been revised into Law no. 23 of 2014. (Bappenas), 2020)

The relocation of the National Capital (IKN) is often a complex and controversial issue. The effort to move the national capital (IKN) is a major project in the 2020-2024 National Medium-Term Development Plan (RPJMN) which the government has been discussing for a long time, namely since 2017 through the Ministry of National Development Planning/Bappenas as the leading sector. The move of the country's capital from Jakarta to East Kalimantan leaves a number of question marks, a number of problems are the basis for why the move of the capital must be hastened.(Tyas, 2022)

Kalimantan is the region chosen as the new location for the relocation of the National Capital (IKN) in Indonesia. The government is focusing on infrastructure development in the new IKN area, which is located around North Penajam Paser and Kutai Kartanegara districts in East Kalimantan. This includes the construction of roads, bridges, airports and other public facilities to support the successful transfer of IKN. (Ernawati et al., 2022). Development progress in East Kalimantan will trigger economic growth which of course will bring its own benefits for improving the standard of living of the people of East Kalimantan, including employment opportunities which are expected to be maximized. One of the goals of moving IKN is to reduce regional inequality in Indonesia. The government hopes that the transfer of IKN can encourage development and investment in the East Kalimantan region, thereby providing economic and social benefits that are more evenly distributed throughout the country.(Kementerian_PPN/Bappenas, 2020)

The economic growth rate of Kalimantan Island from 2017-2022 has indeed progressed, however, economic progress has not been matched by an even distribution of income between provinces and districts/cities. This indicates that Kalimantan Island has not been free from the problem of income inequality between provinces and districts/cities. Initial identification of income inequality can be seen from the Gross Regional Domestic Product (GRDP) per capita, because regional GDP per capita is an indicator for measuring the level of welfare of the population in a region. The greater the GDP per capita, the better the level of social welfare. Likewise, if the GRDP per capita is smaller, it can mean that the level of welfare of the community is getting worse.(Ussa'diyah & Nofrian, 2023)

Kalimantan has been chosen as the new location for Indonesia's National Capital (IKN). The government is focusing on infrastructure development around North Penajam Paser and Kutai Kartanegara districts in East Kalimantan, including roads, bridges, airports and other public facilities to support the relocation of IKN. It is hoped that this development will stimulate economic growth and increase the living standards of local communities as well as optimize employment opportunities. However, in regional economic development, it is important for the government to not only focus on high economic growth, but also on equitable income distribution. Although eliminating income inequality is difficult, steps can be taken to minimize it. (Amallya et al., 2023)

Method

In general, this research covers 10 regencies/cities in East Kalimantan Province as research objects. The time period (time series) used in this research is from 2017 to 2022. This type of research is quantitative descriptive. Then the type of data used is secondary data in the form of Gross Regional Domestic Product (GRDP) of business fields at Constant Prices, GDP per capita data, and quantitative population data obtained from BPS (BPS Kalimantan Timur, 2022) This research will discuss regional economic potential sectors, conditions of regional economic growth, the magnitude of income inequality between regions, as well as the relationship between income inequality and economic growth.

There are several analytical methods used in this research. To achieve the first objective, namely knowing the regional economic potential sectors that influence economic growth, the LQ (Location Quotient) analysis method and Shift-share analysis are used. Second, to classify economic growth conditions using Klassen Typology analysis with a regional approach. Third, to find out how big the level of income inequality between regions is, use the Williamson Index analysis. Fourth, to determine the relationship between economic growth and income inequality in East Kalimantan Province using Pearson Correlation analysis.

1. Location Quotient Analysis

Basically, the Location Quotient method is a method commonly used in basic economic analysis as a first step to find out what sectors of economic activity are driving economic growth. According to (Tarigan,2005), the Location Quotient method is used to determine the base sector or potential sector in a particular area. This method shows a relative comparison between the capabilities of a sector in a region (Regency/City) and the capabilities of the same sector in a wider area or at the regional level above it (Province). The following is the Location Quotient calculation formula proposed by Bendavid-Val:

$$LQ = \frac{X_r/R_r}{X_n/R_n}$$

Information:

X_r = GDP value of sector i in the district/city

X_n = GDP value of sector i in the Province

R_r = Total district/city GRDP

R_n = Total GRDP of East Kalimantan Province

2. Shift Share Analysis

- a. Regional Share is a component of regional economic growth caused by external factors, namely an increase in regional economic activity due to national policies that apply to all regions. This component can be designed using the following equation:

$$RS = \left(\frac{Y_t}{Y_0} - 1 \right)$$

Where Y_0 is the added value of the sector at the national level at the beginning of the period. Y_t is the added value of the sector at the national level at the end of the period.

- b. Proportionality Shift is a component of regional economic growth caused by good regional economic structure or potential, namely specializing in sectors that are growing rapidly, such as the industrial sector. This component can be designed using the following equation:

$$PS = \left(\frac{Y_{it}}{Y_{i0}} - \frac{Y_t}{Y_0} \right)$$

Where Y_{it} is the first value of the sector at the national level at the end of the period, Y_{i0} is the first value of the sector at the national level at the beginning of the period, Y_t is the final value of the number of sectors at the national level at the end of the period, and Y_0 is the final value of the number of sectors at the national level at the beginning of the period.

- c. Differential Shift is a component of regional economic growth that originates from specific competitive regional conditions. This element of growth is a regional competitive advantage that can encourage export growth in the region concerned.

$$DS = \left(\frac{y_{it}}{y_{i0}} - \frac{Y_{it}}{Y_{i0}} \right)$$

Where y_{i0} is the added value of the sector at the regional level at the beginning of the period and y_{it} is the added value of the sector at the regional level at the end of the period. (Ekonomi et al., 2010)

3. Tipology Klassen Analysis

Klassen Typology Analysis can generally be used through two approaches, namely a regional approach and a sectoral approach. In this research, a regional approach is used to analyze the Klassen typology analysis. (Naibaho et al., 2020) The Klassen typology regional approach bases regional classification on two main indicators, namely economic growth and regional gross regional domestic product (GRDP) per capita.

Through this analysis, four different characteristics of economic growth conditions were obtained, more clearly it can be described in Table 1.

Table 1. Klassen Typology of Regional Approach

Quadrant I Developed and Fast-Growing Area $Y_i > y$, $R_i > r$	Quadrant II Developed but Depressed Region $Y_i > y$, $R_i < r$
Quadrant III Fast Developing Area $Y_i < y$, $R_i > r$	Quadrant IV Relatively Under Developed Areas $Y_i < y$, $R_i < r$

Information:

Y_i = Per capita income for each district/city

Y = Average per capita income for Kalimantan Province

R_i = GRDP growth rate in each district/city

R = Average GDP growth rate for Kalimantan Province

4. Indeks Williamson Analysis

$$IW = \frac{\sqrt{\sum_{i=1}^n (y_i - y)^2 \cdot f_i / n}}{y}$$

Information:

V_w = Williamson Index

y_i = GDP per capita for each district/city

y = average GDP per capita of Banten Province

f_i = Total population of each district/city

n = Population of Banten Province

By using the Williamson Index, it can be seen how big the inequality is between regions. The Williamson Index value ranges between 0-1. Limitation of the level of income inequality between

regions using the following measurements: If $IW < 0.3$, it means that regional inequality is low. If the IW is $0.3 - 0.5$, it means regional inequality is moderate. If $IW > 0.5$, it means regional inequality is high. (Utami, 2018)

Results and Discussion

However, a decrease in the contribution of a sector from year to year does not mean there is a decrease in the GRDP of that sector, but rather because other sectors are growing more rapidly. The contribution of sectors to the formation of the total GRDP value of East Kalimantan Province is shown in Table 2. below.

Table 2. Sector Contribution to GRDP of East Kalimantan Province Based on Constant Prices 2010 According to Business Fields, 2017-2022 (Percent)

Business field	2017	2018	2019	2020	2021	2022
Agriculture, Forestry and Fisheries	7.98	7.89	7.95	8.8	8.48	7.04
Mining and Quarrying	46.6	46.69	45.52	41.27	45.11	53.24
Processing Industry	18.93	18.14	17.87	19.02	17.77	15.05
Electricity and Gas Procurement	0.05	0.05	0.05	0.06	0.06	0.05
Water Supply, Waste Management, Waste and Recycling	0.05	0.05	0.05	0.05	0.05	0.04
Construction	7.92	8.42	8.98	9.59	8.95	7.7
Wholesale and Retail Trade, Car and Motorcycle Repair	5.41	5.54	5.87	6.43	5.95	5.16
Transportation and Warehousing	3.59	3.62	3.69	3.63	3.33	3.15
Provision of Accommodation and Food and Drink	0.92	0.96	1.03	1.07	0.96	0.82
Information and Communication	1.25	1.26	1.33	1.55	1.47	1.2
Financial and Communication Services	1.53	1.53	1.57	1.73	1.61	1.45
Real Estate	0.88	0.88	0.89	0.97	0.85	0.67
Company Services	0.21	0.2	0.21	0.22	0.2	0.16
Government Administration, Defense and Mandatory Social Security	1.97	1.94	2	2.1	1.89	1.57
Education Services	1.53	1.59	1.66	1.92	1.78	1.42
Health Services and Social Activities	0.59	0.61	0.65	0.87	0.89	0.73
Other Services	0.59	0.63	0.68	0.72	0.65	0.55
Gross Regional Domestic Product (Persen)	100	100	100	100	100	100

Location Quotient (LQ)

With Location Quotient analysis, a sector is classified into base sectors and non-base sectors (Azaki, 2024). If a sector has an LQ value > 1 , it can be said that the sector is a basic sector that influences economic growth in an area. Meanwhile, if a sector has an LQ value < 1 then the sector is a non-base sector and is not a sector that influences economic growth in East Kalimantan Province.

Table 3. Regency/City Base Sectors in East Kalimantan Province 2017-2022
Based on Location Quotient (LQ) Analysis.

Regency/City	Sectors (S)
Paser Regency	1, 2
Kutai Barat Regency	1, 2, 6, 7, 14, 15, 16
Kutai Kartanegara Regency	1, 2, 16
Kutai Timur Regency	2
Berau Regency	1, 2, 7, 8, 9, 12, 15, 16,17
Penajam Paser Utara Regency	1, 4, 5, 6, 7, 12, 14, 15,17
Mahakam Ulu Regency	1, 8
Balikpapan City	3, 4, 5, 6, 7, 8, 9, 10, 11, 13, 16, 17
Samarinda City	3, 4, 5, 6, 7, 8, 9, 10, 11, 12, 13, 14, 15, 16, 17
Bontang City	3, 13, 16

Information:

S1 = Agriculture, Forestry and Fisheries

S2 = Mining and Quarrying

S3 = Processing Industry

S4 = Electricity and Gas Procurement

S5 = Water Supply, Waste Management, Waste and Recycling

S6 = Construction

S7 = Wholesale and Retail Trade, Car and Motorcycle Repair

S8 = Transportation and Warehousing

S9 = Provision of Accommodation and Food and Drink

S10 = Information and Communication

S11 = Financial and Communication Services

S12 = Real estate

S13 = Company Services

S14 = Government Administration, Defense and Mandatory Social Security

S15 = Education Services

S16 = Health Services and Social Activities

S17 = Other Services

1) Paser Regency

Paser Regency has 2 (two) base sectors, namely the mining and quarrying sector is the base sector with the highest average LQ value, namely 1.53. As well as the agriculture, forestry and fisheries sectors with an average LQ value of 1.62. The agricultural sector of Paser Regency is the sector that makes the largest contribution to the GRDP of Paser Regency, reaching 11.29 percent in 2017. Meanwhile, the contribution of the mining and quarrying sector to the GRDP of Paser Regency is 73.08 percent, although this contribution is not too large compared to the agricultural sector, but This sector's existence cannot be ignored.

2) West Kutai Regency

- West Kutai Regency has 7 (seven) basic sectors. The two basic sectors with the highest LQ values are the government administration, defense and mandatory social security sectors with an average LQ value of 2.31 and the agriculture, forestry and fisheries sectors with an average LQ value of 1.83. In 2017, the government administration, defense and social security sectors are required to contribute to Pandeglang Regency's GRDP of 2.34 percent, while the agricultural sector contributes 1.91 percent.
- 3) Kutai Kartanegara Regency
Kutai Kertanegara Regency has 3 (three) base sectors, where the agriculture, forestry and fisheries sectors are the base sectors with the highest average LQ value, namely 1.53. Then the mining and quarrying sector is in the second highest position, namely with an LQ of 1.49. As well as the health services and social activities sector with an average LQ value of 1.07.
- 4) East Kutai Regency
East Kutai Regency only has 1 (one) base sector, namely the mining and quarrying sector which is the base sector which has the highest average LQ value, namely 1.75. Then based on the LQ analysis in East Kutai Regency which is included in the less superior sectors, namely, agriculture, forestry and fisheries, it is 0.94. Processing Industry with an LQ result of 0.13, Electricity and Gas Procurement with an LQ result of 0.20, Water Procurement, Waste Management, Waste and Recycling with an LQ result of 0.23,
- 5) Berau Regency
The Berau Regency also has 9 (nine) basic sectors. The two base sectors with the highest LQ values are the transportation and warehousing sector with an average LQ value of 1.71 and the health services and social activities sector with an average LQ value of 1.69. In 2021, the transportation and warehousing sector will contribute 1.80 percent to the GRDP of Berau Regency, while the health services sector will contribute 1.68 percent.
- 6) North Penajam Paser Regency
Serang City has 9 (nine) base sectors, where the agriculture, forestry and fisheries sectors are the base sectors with the highest average LQ value, namely 2.93. The government administration, defense and mandatory social security sectors are the base sectors that have the average value. The second highest LQ is 2.26. As well as the water supply, waste management, waste and recycling sectors with an average LQ value of 1.85.
- 7) Mahakam Ulu Regency
Mahakam Ulu Regency only has 2 (two) base sectors, where the agriculture, forestry and fisheries sectors are the base sectors with the highest average LQ value, namely 11.15. As well as transportation and warehousing with an average LQ value of 1.29. The agricultural sector of Mahakam Ulu Regency is the sector that makes the largest contribution to the GRDP of Mahakam Ulu Regency, reaching 11.29 percent in 2017.
- 8) Balikpapan City
Balikpapan City has 13 (thirteen) base sectors, where the processing industry sector is the base sector which has the highest average LQ value, namely 2.81. As well as the accommodation and food and drink provision sector with an average LQ value of 2.72. The processing industry sector contributed to Balikpapan City's GRDP by 15.56 percent in 2017, while the accommodation and food and drink provision sector amounted to 7.34 percent. Basically, the processing industry is the backbone of regional development, so it is very important to support the smooth running of social and economic activities.
- 9) Samarinda City

Cilegon City has 14 (fourteen) base sectors, where the financial services and insurance sectors are the base sectors which have the highest average LQ value of 4.88, as well as the provision of accommodation and food and drink with an average LQ value of 4.43. The company services sector has an average LQ value of 4.04. The financial services sector contributed to the GRDP of Samarinda City by 3.43 percent in 2017, while the accommodation and food and drink provision sector amounted to 0.25 percent.

10) Bontang City

Bontang City has 3 (three) base sectors, where the processing industry sector is the base sector which has the highest average LQ value, namely 4.03. Then the company services sector has an average LQ value of 2.62. As well as the health services and social activities sector with an average LQ value of 1.10.

Shift – Share Analysis

Shift Share analysis is used to see the performance of each District/City GRDP sector and compare it with the GRDP value of East Kalimantan Province. The following are the results of shift share analysis calculations in East Kalimantan Province during 2017-2022.

Table 4. Analysis Shift Share for Districts/Cities in East Kalimantan Province 2017-2022

Business Field	Shift Share Value									
	Paser	KuBar	KuKar	KuTim	Berau	PPU	Mah Ulu	Balikipn	Samarinda	Bontang
Agriculture, Forestry and Fisheries	-8.52	-4.33	5.88	0.68	-0.02	-10.20	-0.71	1.98	-1.88	14.17
Mining and Quarrying	2.41	9.20	-5.91	2.03	6.90	-26.38	-14.68	-3.57	-0.67	-59.31
Processing Industry	4.33	4.83	8.10	10.56	0.46	-12.79	5.14	14.22	6.80	-12.74
Electricity and Gas	-21.85	7.34	7.81	14.33	14.46	-8.99	42.99	-7.07	5.04	-11.93
Procurement										
Water Supply, Waste Management, Waste and Recycling	1.59	-2.40	4.90	-7.98	7.38	2.15	6.90	-2.68	6.04	0.23
Construction	-6.09	-10.97	0.58	-59.73	-6.84	169.76	11.17	-1.78	-11.75	-7.74
Wholesale and Retail Trade, Car and Motorcycle Repair	-1.66	-0.96	-0.20	0.02	2.09	-1.94	14.45	1.62	-0.18	-3.35
Transportation and Warehousing	0.16	14.77	13.83	6.16	41.52	2.93	14.23	-8.68	13.82	10.87
Provision of Accommodation and Food and Drink	-4.62	1.70	3.37	2.61	41.27	-8.63	11.93	-0.27	3.87	6.55
Information and Communication	-2.89	14.49	7.08	-5.90	2.69	8.68	41.19	4.04	2.38	-17.03
Financial and Communication Services	3.40	6.63	6.88	-2.45	53.97	2.44	59.46	2.21	-0.15	-4.06
Real Estate	-2.12	-0.96	-0.86	9.14	12.03	4.27	17.53	-0.52	0.91	5.01
Company Services	2.59	-1.58	-1.65	-0.14	14.30	-5.45	-3.00	1.71	-2.67	-0.95
Government Administration, Defense and Mandatory Social Security	-4.46	3.34	-7.16	-3.94	-7.64	-11.39	21.84	0.42	1.09	-4.67
Education Services	4.58	13.52	5.00	2.95	17.37	-5.15	24.05	0.93	-2.34	4.90

Health Services and Social Activities	2.53	6.77	3.91	-3.27	15.44	-0.11	17.73	4.30	-3.18	-3.69
Other Services	-5.23	5.87	4.06	-3.27	25.92	-8.64	6.71	0.95	1.39	-0.98
GDRP Kaltim Province	-35.85	67.27	55.61	-38.19	241.30	90.56	276.92	7.80	18.52	-84.70

Based on Table 4, it shows the Shift-Share Analysis values for each Regency/City in East Kalimantan Province for each sector. The first highest Shift Share value is in Mahakam Ulu Regency with a value of 276.92 percent. This is supported by 17 economic sectors in Mahakam Ulu Regency which have positive values. Second, it is located in North Penajam Paser Regency with a score of 90.56 percent. This is supported by the construction sector which has a positive and quite high score. Third, it is located in West Kutai Regency with a value of 67.27 percent. This is supported by 11 economic sectors of West Kutai Regency which have positive values. Fourth, it is in Kutai Kartanegara Regency with a value of 55.61 percent. This is supported by 13 economic sectors of Kutai Kartanegara Regency which have positive values. Fifth, it is in Samarinda City with 18.52 percent. This is supported by 10 sectors of the Samarinda City economy which have a positive value.

Tipology Klassen

The district/city classification is carried out into four quadrants based on the Klassen Typology. The results of the Klassen Typology of the regional approach can be seen in Table 5. Districts and Cities in East Kalimantan Province in 2017-2022 fall into four quadrants.

Table 5. Classification of the Klassen Typology Approach to the Region of East Kalimantan Province for 2017-2022

<p>Quadrant I Developed and Fast-Growing Area $Y_i > y$ dan $R_i > r$</p> <p>-Kabupaten Kutai Barat -Kabupaten Kutai Timur</p>	<p>Quadrant II Developed but Depressed Region $Y_i > y$ dan $R_i < r$</p> <p>-Kabupaten Kutai Kartanegara -Kota Bontang</p>
<p>Quadrant III Fast Developing Area $Y_i < y$ dan $R_i > r$</p> <p>-Kabupaten Berau -Kabupaten Mahakam Ulu -Kota Balikpapan -Kota Samarinda</p>	<p>Quadrant IV Relatively Under Developed Areas $Y_i < y$ dan $R_i < r$</p> <p>-Kabupaten Paser -Kabupaten Penajam Paser Utara</p>

West Kutai and East Kutai districts are districts in quadrant I (developed and fast-growing regions), which have growth rates and GDP per capita that are both higher than East Kalimantan Province. Then in

quadrant II there is also one district and one city which are considered developed but depressed areas, namely Kutai Kartanegara Regency and Bontang City, which have higher per capita income, but the level of economic growth is lower than East Kalimantan Province.

Meanwhile, in Quadrant III there are two regencies and two cities, namely Berau Regency and Mahakam Ulu Regency as well as Balikpapan City and Samarinda City which are fast developing areas which have high levels of economic growth, but their per capita income is lower than East Kalimantan Province. Lastly, in Quadrant IV there are two districts, namely Paser Regency and North Penajam Paser Regency. These two districts are relatively underdeveloped areas, with growth rates and per capita income that are both low compared to East Kalimantan Province.

Indeks Williamson

The Williamson Coefficient of Variance (CVw) or often called the Williamson Index is a method that can be used to see the magnitude of income inequality between regions. The following Table 6. shows the results of calculating the Williamson Index between districts/cities in East Kalimantan Province for 2017-2022.

Table 6. Index Williamson between Regencies/Cities in East Kalimantan Province 2017-2022

Years	Index Williamson
2017	0,500
2018	0,482
2019	0,479
2020	0,467
2021	0,450
2022	0,465
Average	0,473

From the table, it can be seen that the results of the Williamson Index calculation show that the value is between 0.35 to 0.5, meaning that inequality in this region is classified as not too high / moderate (Sjafrizal, 2012). The level of inequality that is closer to number one indicates conditions that are increasingly unequal, conversely, the level of inequality that is close to zero indicates conditions of inequality that are low or not unequal. Inequality between districts/cities in East Kalimantan Province during 2017-2022 can be said to have decreased but not significantly, namely by 0.500 in 2017 to 0.465 in 2022.

Closing

Conclusion

Based on the results of the research and discussions that I have conducted; several conclusions can be drawn as follows:

1. Location Quotient (LQ) analysis shows that the ten districts/cities in East Kalimantan Province have different base sectors and varying numbers. The diversity of these basic sectors is the economic potential of each region which influences economic growth.

2. Based on the results of the Shift-Share analysis from 2017-2022 between Regencies/Cities in East Kalimantan Province, it shows that there is growth in economic sectors as evidenced by the results of the Shift-Share analysis, almost all of which are positive. Through this analysis we can see that the competitiveness between sectors dominates each other, this shows that there is economic development and pace in East Kalimantan.
3. Based on the regional Klassen Typology, the classification of the economic growth conditions of districts/cities in East Kalimantan Province is more dominant, including areas that are developing rapidly (Quadrant III), namely four regions, 2 Regencies and 2 Cities. In this division, it can be seen that the government's role is to formulate an economic strategy that can optimize all business fields, including encouraging the growth of all business fields that are considered to still contribute less to the economy.
4. Based on the Williamson Index, it shows that between districts/cities in East Kalimantan Province during 2017-2022 there is still income inequality with the Williamson Index results being classified as not too high or medium, namely between the limits of .35 to 0.5. However, the value of the Williamson index in 2017 was quite high, namely 0.500, then decreased by 0.04%, namely to 0.465 in 2022.

Suggestion

To identify economic potential in an area, it should be done using other methods. Because identifying regional economic potential using economic base analysis, the economic potential will be known based on GRDP or sector income, in other words a sector becomes the basis because of its large contribution to GRDP. Considering that basic economic sectors are sectors that are able to influence economic conditions, further analysis can be carried out regarding the role of basic economic sectors in reducing income inequality in East Kalimantan Province.

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