



Study on The Potential of The Leading Sector for Inclusive and Sustainable Development Planning in ENDE District East Nusa Tenggara Province (NTT)

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ABSTRACT

This research aims to examine the potential of leading sectors, as a reference for the Ende Regency Government in preparing inclusive and sustainable development activity program plans. The method used in this research is quantitative descriptive, using Shift Share Analysis (SSA). The data used is time series data PDRB for the Ende Regency and the East Nusa Tenggara Province (NTT) PDRB for the 2013-2023 period.

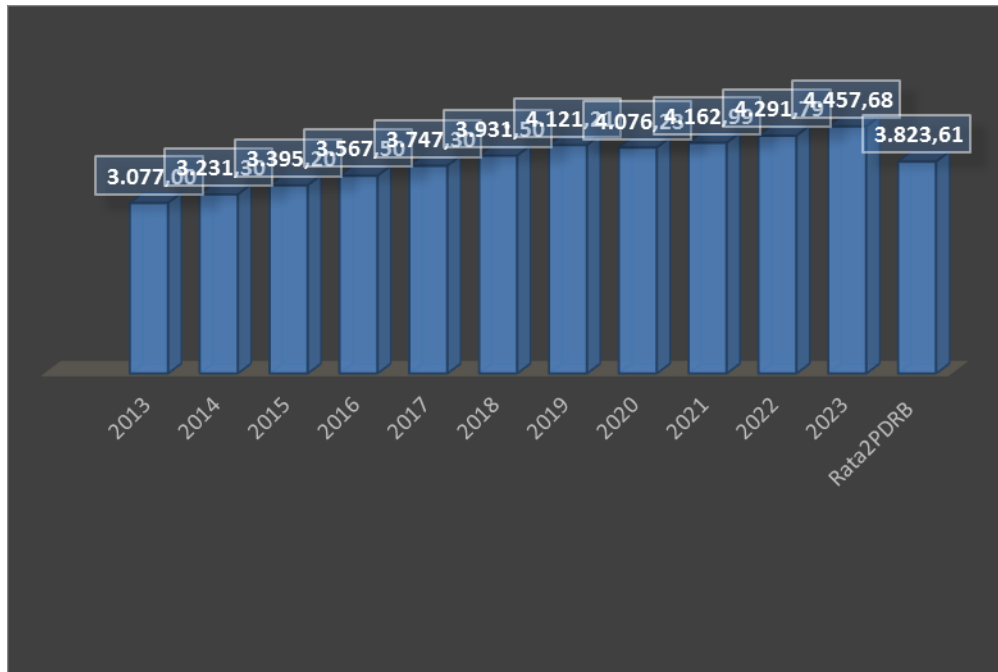
The research results show that the sectors that have high growth and competitiveness or the leading sectors are 1). Agriculture, fisheries and marine sectors, 2). Mining and Quarrying and 3) Processing Industry. These leading sectors are program priorities in Development budget planning in Ende Regency which is inclusive, integrated, synergistic, through the concepts of green economy, blue economy and Orange economy, to realize the concept of sustainable development planning based on SDGs goals.

INTRODUCTION

Changes in the development paradigm in the current era of autonomy, regions have more space to always operate with a "competitive" spirit in managing various existing economic resources and the authority they are given. The aim is to develop the potential of each region through greater participation and realize the common good, taking into account the unique characteristics and culture of each region. The application of concepts and models as well as economic policies has not yet run optimally. The concept of the green revolution, the concept of the blue revolution and the concept of the orange economy (creative economy) have not been implemented properly, resulting in quite high disparities, both economic disparities and environmental disparities. The macroeconomic conditions of Ende Regency currently show prospective figures, but the sustainable development model is not yet working as it should. Based on statistical data, around 70% of workers in NTT work in the agricultural sector. The fisheries and marine agriculture sectors are also the largest contributors to GRDP in almost all districts/cities in NTT (Sagajoka, Banda 2019). And this sector is a potential sector to be developed and prioritized in all districts/cities in NTT to increase per capita income, which has an impact on increasing GRDP and economic growth, as well as increasing food production. is one of the priority steps for regional development planning because the agricultural, marine and fisheries sectors are the sectors that contribute the largest contribution to Ende Regency's PDRB (Sagajoka, 2020). In developing existing regional potential, the Ende district government must carry out various interventions in the form of sustainable development policies, where development policies and development of the needs of the current generation are without compromise in meeting the needs of future generations. (Sagajoka, Fatima,

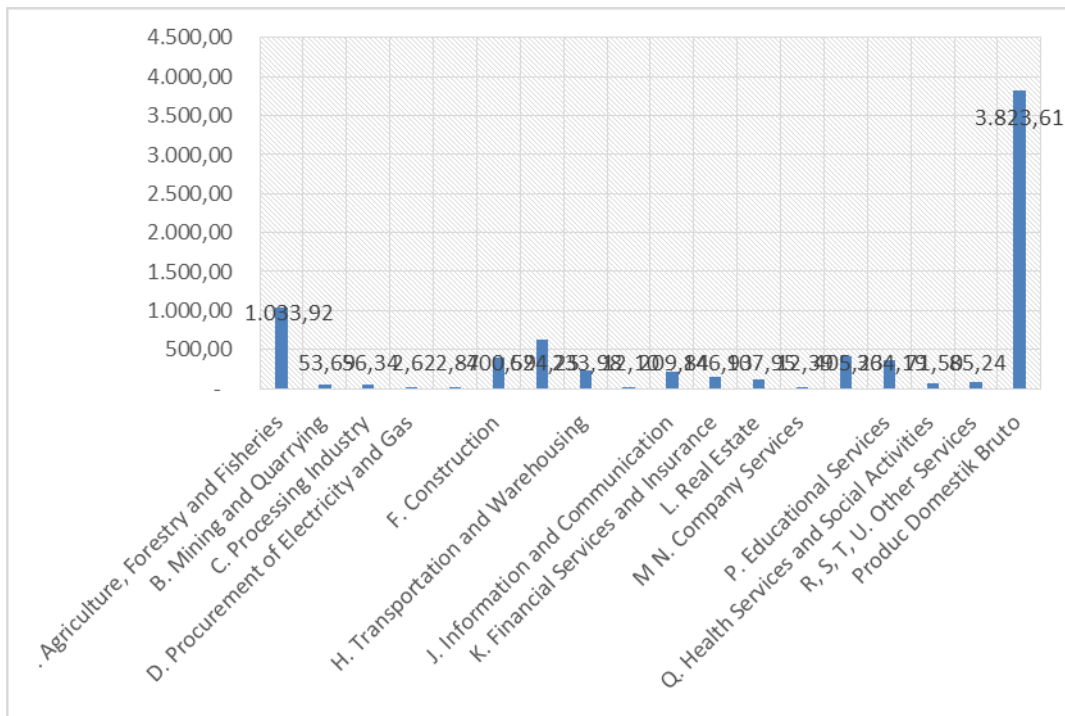


2023). including ecological economic policies. So, in determining future policy direction, the government must evaluate regional macroeconomic performance as a reference in determining future policy direction. Macroeconomic conditions reflected by the Gross Regional Domestic Income (PDRB) indicator, data on the PDRB development of Ende district for the 2013-2023 period can be seen in graph 1. Following



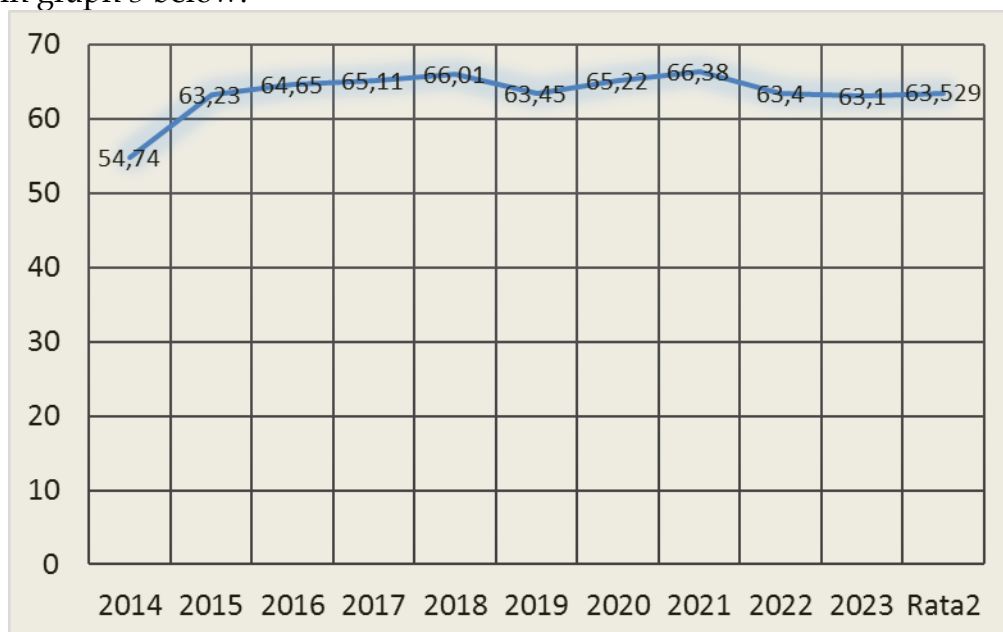
Graph 1. Ende Regency PDRB for the 2013-2023 Period based on Constant Prices in Billions of Rupiah

Graph 1. shows that the PDRB of Ende Regency during 2023-2023 will increase by an average of Rp. 3,823.6 or 3.4%. . This condition indicates that the growth of Ende district's PRDB over the last 10 years has experienced relatively slow growth compared to the previous period which reached 5.11% (Estherlina Sagajoka, 2019). If we look at the contribution of the sectors forming Ende Regency's PDRB, it can be seen that the 5 largest contributing sectors to Ende Regency's PDRB for the 2013-2023 period are the agricultural, maritime and fisheries sectors (27.04%), the wholesale and retail trade sector and car and bicycle repairs. motorbikes (16.33%), government administration and mandatory social security sectors (10.60%), construction (10.48%), and educational services (10%). In detail, it can be seen in graph 2 below:



Graph 2. Contribution of PDRB -forming Sectors According to Business Fields 2013-2023

Part from GDP, the poverty level is an important indicator in measuring the success of a region's economic development, because the poverty level is a situation where there is an inability to fulfill basic needs such as food, clothing, shelter, education and health. Real data on the percentage of poor people in Ende district for the 2014-2023 period can be read in graph 3 below:



Graph 3. Percentage of Poor Population in Ende Regency 2014-2023



Graph 3 shows that the number of poor people from 2014 to 2023 is that the percentage of poor people fluctuates with an average decline of 0.63%, this indicates that the development carried out in Ende district has not been able to overcome the problem of poverty. Based on the achievements of the Real Macroeconomic Conditions of Ende Regency which have been explained, in general the economy of Ende Regency is still low, the number of poor people is still relatively high, the utilization of natural resource potential is not yet optimal, so the regional government needs to set up an inclusive and sustainable development planning model based on the potential of the economic sector. superior, as a driving force for the economy of Ende district in the future; because productive economic strength can only be measured by considerations based on various aspects, such as regional advantages based on economic value, efficiency, productivity and strategic value. So that this superior sector becomes a priority for the Program in Regional Development budget planning. This is important because it is an opportunity for interested investors to invest in this leading sector, which has an impact on creating new jobs, increasing income, minimizing unemployment and poverty and increasing economic growth in Ende district in the future. There are three parameters of sustainable development that the Ende district government must pay attention to in preparing inclusive and sustainable development plans, namely: economic sustainability, social sustainability and environmental sustainability. These three parameters must be developed in a balanced way. Otherwise, development will remain trapped in conservative development demonstrations that only focus on economic growth and ignore social and environmental development.

RESEARCH METHOD

This research uses quantitative descriptive, which aims to identify and analyze the potential of leading economic sectors as a basis for development budget planning, which is inclusive and sustainable with the principles of the green economy, blue economy and orange economy.

The data used in this research is PDRB data for Ende Regency and East Nusa Tenggara Province (NTT) for 2013-2023, which is published data from the Central Statistics Agency (BPS), both Ende Regency BPS and NTT Province BPS. Apart from BPS data, researchers also explored information from various official documents that were relevant to the research objectives, carried out observations and interviews with several related parties to confirm the data that was relevant to this research. The data analysis technique used is Shift Share analysis (SSA).

RESULTS AND DISCUSSION

Study of Leading Economic Sectors in Ende Regency

o find out and classify leading sectors through shift-share analysis, it is necessary to first know the magnitude of the influence of each component of regional growth (NS) on sectoral growth, industrial mix components (PS) and comparative component



advantages (DS). The magnitude of the role of these sectors at the local (district) level is influenced by economic policies at the regional (provincial) level. However, the consequences of the role of the dominant sector do not yet reflect the actual situation. For this reason, understanding the dominant sector must be complemented by looking at the magnitude of the proportional growth component (PS) and the regional share growth component (DS). The magnitude of the influence of the regional component (NS) growth on district sectoral growth, the proportional growth component (PS) and the regional share growth component can be seen in Table 1 below:

**Table 1. Growth Ratio of Ende Regency GRDP Components for the 2013-2023 Period.
Based on 2000 Constant Prices**

Sector/Field of Business	Components of the National Growth Effect (Nij) (NS)	Industrial Mix Components (Mij) (PS)	Components of Competitive Advantage (Cij) (DS)	Economic structure (Dij)
Agriculture, forestry and fisheries	341.6	130.8	150.2	622.6
Mining and excavation	18.5	3.4	7.3	29.2
Processing industry	18.7	8.3	6.1	33.1
Procurement of Electricity and Gas	0.8	(0.7)	3.4	3.5
Water Supply, Waste Management, Waste and Recycling	1.0	0.5	(0.3)	1.3
Construction	140.0	61.8	(49.9)	151.8
Wholesale and Retail Trade; Car and Motorcycle Repair	205.3	121.8	(33.5)	293.6
Transportation and Warehousing	82.3	33.3	(28.2)	87.5
Provision of accommodation and food and drink	3.8	2.9	(0.6)	6.1
Information and Communication	64.9	50.4	(2.4)	113.0
Financial Services and Insurance	48.5	28.5	(10.8)	66.2
Real Estate	38.8	10.9	(1.4)	48.2
Company Services	5.4	(1.8)	(0.1)	3.5
Government Administration of Defense and Mandatory Social Security	135.1	66.1	(36.4)	164.9
Education Services	124.5	42.3	(5.9)	160.9
Health Services and Social Activities	22.8	15.7	(3.1)	35.4
Other Services	31.5	4.8	(1.7)	34.5
Produk Domestik Regional Bruto	1,283.5	579.0	(7.3)	1,855.2

Data Source: BPS.Co.Id (processed data)

Table 1 above shows that the PDRB of Ende Regency is IDR. 1,384.5 is a contribution from the PDRB growth component of East Nusa Tenggara (NS) province. This shows that the growth of provincial GDP has a positive effect on the growth of the economic sector in Ende Regency. The sector that received a significant effect and therefore played a significant role in PDRB growth in Ende Regency was the Agricultural Sector, which amounted to IDR 341.6, the wholesale and retail trade sector for car and motorbike repairs amounted to IDR. 205.3, then the Construction sector is IDR 140.0 and the Government Administration and Social Security sector is required to be in fourth place, namely IDR. 135.1

Meanwhile, the sector that makes the smallest contribution is the electricity and gas procurement sector, only Rp. 0.8 while the water supply, waste processing, waste



and recycling sector is the second smallest at IDR. 1.0 people. And the third smallest is the service sector at IDR 5.4. For more details on the contribution of each economic sector due to the economic growth of East Nusa Tenggara Province to sectoral growth in Ende Regency, you can see the following figure 4:

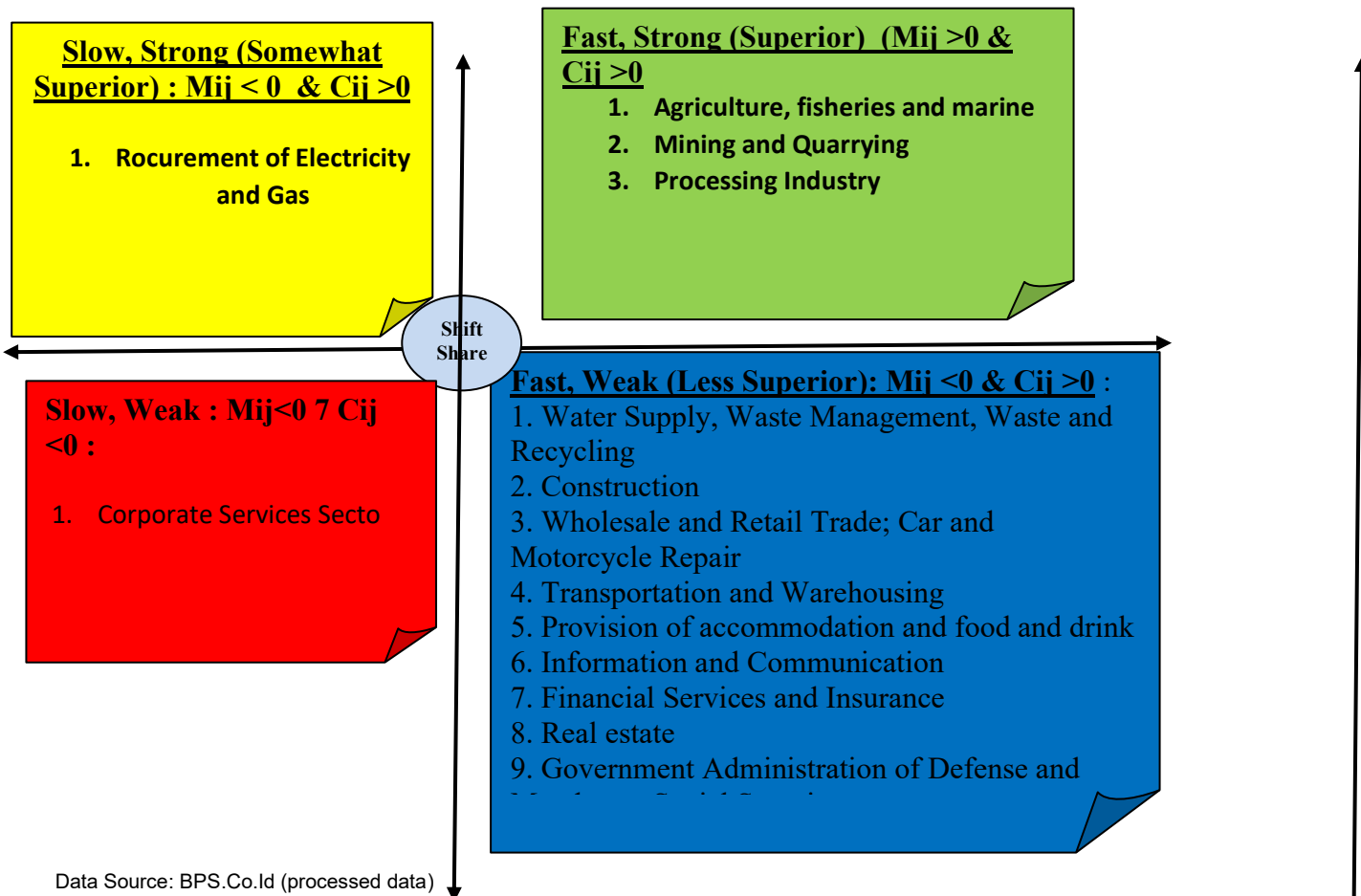


figure :4. Classification of economic sector growth in Ende district PDRB for the 2013-2023 period

Ende district Sustainable Development Planning Concept

The United Nations Conference on Environment and Development held in Rio de Janeiro in 1992 established the basic principles and action programs for realizing sustainable development. Furthermore, the Johannesburg Summit reiterated the political commitment of the international community, and also laid the foundations that should be used as a reference in carrying out sustainable development activities in the development aspect. The concept of sustainable development that is generally accepted by the international community is the concept of the Bruntland Commission, which states that sustainable development is development to meet the needs of the current generation, without reducing or destroying the ability of future generations to meet their living needs (WCED, 1987 in Rudy S. Rivai and Iwan S. Anugrah 2011). So based on the concept of sustainable development according to the Environmentally Economical Advancement Triangle-World Bank, Serageldin and Direct, 1994 in Rudy S.

Rivai and Iwan S. Anugrah 2011, it is necessary to implement the three pillars of economic development for sustainable development as in Figure 5 below.

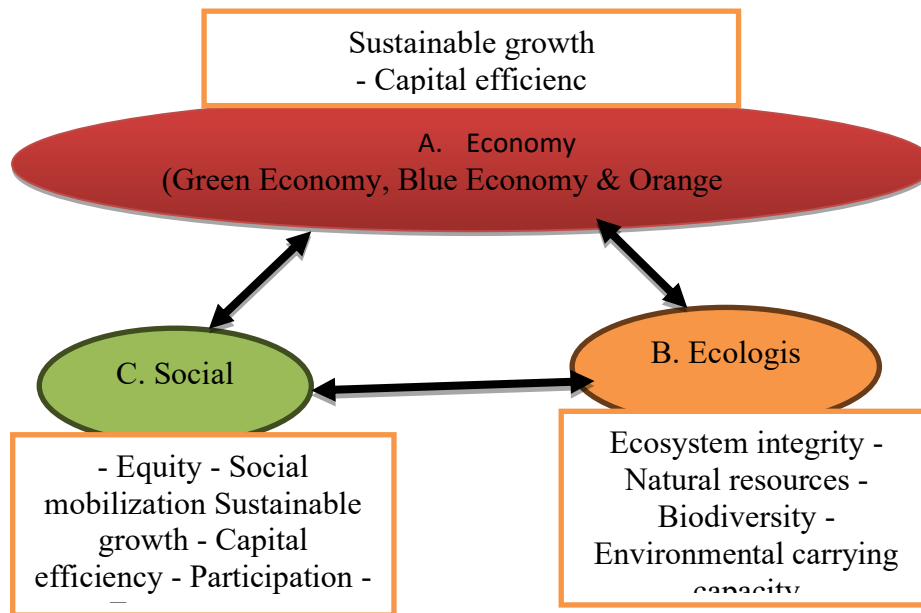


figure 5.. Triangle Framework for the Concept of Sustainable Development (Enviromentally Sustainable Development Triangle-World Bank, Serageldin and Steer, 1994 in Rudy S. Rivai and Iwan S. Anugrah 2011

Figure 5 illustrates that the model of Leading Sector Development activities carried out is declared sustainable, if the activity program planning comprehensively takes into account economic, ecological and social elements. Economically sustainable development planning .his means that planning a development program/activity must be able to create new jobs, which will impact per capita income, increase the rate of economic growth, minimize poverty, maintain capital and use resources and investment efficiently. Ecologically sustainable development planning means that the planned program of activities must be able to maintain the integrity of the ecosystem, maintain the carrying capacity of the environment and conserve natural resources including biodiversity. Meanwhile, socially sustainable development planning requires that the planning of development activity programs should be able to create equal distribution of development results, social mobility, social cohesion and institutional development. Although there are many variations in the definition of sustainable development, including the development of leading sectors with the concept of sustainable planning, the one that is widely accepted is one that is based on three pillars: economic, social and ecological. So it is homework for the Ende district government in the future to plan a program for priority activities in the leading economic sector, namely 1). Agriculture, Fisheries and Marine Sectors 2). Mining and Quarrying and 3 Processing Industries and other Potential sectors pay attention to the concept of sustainable Development Planning, namely Development Planning for leading sectors that are economical, ecological and Social... with the principles of Economic, Green, Blue Economy and Orange economic development... There are examples of sector development concepts The superior concept is that the concept of



sustainable sector development is oriented towards three dimensions of sustainability, namely: sustainability of economic efforts (profit), sustainability of human social life (people), and sustainability of natural ecology (planet).

The economic dimension is related to the concept of maximizing the flow of income that can be obtained by at least maintaining the productive assets that are the basis for obtaining that income. The main indicators of this economic dimension are the level of efficiency and competitiveness, the magnitude and growth of added value and economic stability. The economic dimension emphasizes the aspect of fulfilling human economic needs for both current and future generations.

The social dimension, namely people's orientation, is related to the need for social welfare as reflected by harmonious social life (including preventing social conflict), reservation for cultural diversity and socio-cultural capital, including protection for ethnic minorities. For this reason, poverty alleviation, equal distribution of business opportunities and income, socio-political participation and socio-cultural stability are important indicators that need to be considered in implementing development.

The natural environmental dimension emphasizes the need for the stability of natural ecosystems which include biological living systems and natural materials. This includes maintaining biodiversity and biological carrying capacity, land, water and agro-climatic resources, as well as environmental health and comfort. The emphasis is placed on preserving the flexibility and dynamics of ecosystems to adapt to change, not on preserving a static ideal condition that cannot be realized. These three dimensions influence each other so that three must be considered in a balanced manner. A stable and healthy social system as well as natural and environmental resources are the basis for economic activity, while economic prosperity is a prerequisite for maintaining socio-cultural stability and preserving natural resources and the environment. An unstable or diseased social system will tend to lead to actions that damage the preservation of natural resources and damage environmental health, while threats to the sustainability of natural resources and the environment can encourage social chaos and disease. There are two things that are implicitly of concern in the Brundtland concept. First, regarding the importance of paying attention to natural resource and environmental constraints on development and consumption patterns. Second, it concerns attention to the welfare (well-being) of future generations. Assuming sustainability rests on at least three basic axioms; (1) treatment of the present and future that places positive value in the long term; (2) realizing that environmental assets contribute to economic well-being; (3) knowing the obstacles due to implications that arise on environmental assets. concept of sustainability Development needs to elaborate on the concept of sustainability by proposing five alternative definitions, namely: (1) a condition is said to be sustainable if the utility obtained by society does not decrease over time and consumption does not decrease over time (non-declining consumption), (2) sustainability is a condition where natural resources are managed in such a way as to maintain production opportunities in the future, (3) sustainability is a condition where natural resources (natural capital stock) do not decrease over time (non declining), (4) sustainability is a condition where natural resources nature is managed to maintain the production of natural resource services, and (5) sustainability is the existence of balance conditions and ecosystem



resilience is met. In line with the understanding above, adding several aspects regarding the operational definition of sustainable development planning, including: (1) for renewable natural resources: the harvest rate must be the same as the regeneration rate (sustainable production); (2) for environmental problems: the rate of waste disposal must be equivalent to the assimilation capacity of the environment; (3) non-renewable energy sources must be exploited in a quasi-sustainable manner, namely reducing the rate of depletion by creating substitute energy. Apart from the operational definition above, there are three aspects of understanding in the application of sustainability, first, the concept of economic sustainable development which is defined as development that is capable of producing goods and services continuously to maintain government sustainability and avoid sectoral imbalances that can damage agricultural and industrial production. Second, environmental sustainability: An environmentally sustainable system must be able to maintain stable resources, avoid exploitation of natural resources and function as an environmental absorption. This concept also concerns the maintenance of biodiversity, air space stability, and other ecosystem functions that are not included in the category of economic resources. Third, social sustainability, social sustainability is defined as a system that is able to achieve equality in the provision of social services including health, education, gender and political accountability. Regional autonomy in the Ende district government in the future, with all its powers, also seems to be very effective in supporting the implementation of sustainable development of superior economic sectors based on concepts, programs and strategies for achieving these programs in Ende district. However, regional autonomy can be used as an umbrella force to carry out cross-sectoral program synergy, bearing in mind that the implementation of sustainable leading economic sector development activities still requires the support of linkages from various related sectors, within a more holistic Regional Development Planning policy framework. The synergy of concepts, programs and strategies for achieving sustainable development as well as agricultural, marine and fisheries development, sustainable creative industrial sectors, together become an integrated program between various development sectors, in this case through coordination of various existing SKPDs and at the same time related to District Regional Development planning Ende. So that sustainable development programs can be implemented, in accordance with internationally agreed provisions, as stated in SDGS 14 concerning Green Economy, Blue Economy and Orange Economy

Green Economy Principles

Green economy is an economic concept that aims to improve the welfare and social equality of society accompanied by reducing the risk of environmental damage. The term green economy was first coined in the "Blueprint for a Green Economy" report from a group of economists addressed to the British government in 1989 to consider the concept of sustainable development.

The UN Environment Program (UNEP) defines a green economy as an economic concept that is low carbon, resource efficient and socially inclusive. In a green economy, job and income growth is driven by public and private investment in economic activities, infrastructure and assets that enable reduced carbon emissions and pollution,



increased energy and resource efficiency, and prevented loss of biodiversity and ecosystem services. Natural resources are seen as important assets and public resources, especially for poor communities whose livelihoods depend on natural resources. Therefore, implementing a green economy has a positive impact on inclusive social life. Green economy is an umbrella concept that covers the concepts of Circular Economy and Bioeconomy. In particular, the Circular Economy and Bioeconomy focus on resources, whereas in principle the Green Economy recognizes the underlying role of all ecological processes. Green economic growth is strong economic growth that is environmentally friendly and socially inclusive. This is different from conventional development models which rely on unsustainable practices such as depletion and destruction of natural resources.

Green economic growth is a coordinated movement consisting of economic growth, environmental sustainability, poverty reduction and social involvement driven by the development and sustainable use of global resources. Being green and sustainable not only benefits the environment, but also helps make businesses more successful and profitable. Green living has also grown in recent decades and become a popular concept as more and more people and entities recognize the urgent need, as well as the benefits of sustainable practices. The main reason for the emergence of the concept of green economy and green growth is the movement towards a more integrated and comprehensive approach to combining social and environmental factors in the economic process in order to achieve sustainable development. Therefore, green economic growth is economic growth that contributes to the responsible use of natural capital, prevents and reduces pollution and creates opportunities to improve overall social welfare by building a green economy, and ultimately enables the achievement of sustainable development goals. So, a green economy is an economic activity that apart from improving people's welfare as the ultimate goal of the economy is also expected to have an impact on achieving justice and justice for all the nation's children.

Blue Economy Principles

Based on a definition from the World Bank, the blue economy is an economic concept that emphasizes the sustainable use of marine resources for economic growth, improving livelihoods and employment while maintaining the health of marine ecosystems. The blue economy is expected to be the answer to Indonesia's marine and fisheries management problems, considering that Indonesia is a maritime country. The goal of the blue economy is to build a sustainable economic system based on natural principles and locality in coastal areas. The blue economy concept initially only included fisheries-based products that had economic value. However, currently the scope has expanded to reach the sustainability of marine ecosystems. The sustainability of marine ecosystems that are integrated with the sustainability of all the potential within them (including the potential for blue carbon trading) is one of the contributors to Gross Domestic Product (GDP) in Indonesia. The implementation of the blue economy is also in line with the Environment, Social and Governance (ESG) concept because the implementation of the blue economy involves the triple bottom line.



Orange Economy Principle

The orange economy or better known as the creative economy is an economic concept that focuses on the contribution and potential of creative assets to contribute to economic growth and development. The creative economy is a development option worth considering to be realized through innovative multidisciplinary and multisector policies. The main point in building a creative economy is the use of creativity and intellectual capital (Rivai & Anugrah, n.d.) as the main input in the process of creation, production and distribution. The creative economy includes a cultural and social economy that is integrated with technology, intellectual property, and tourism.

The general characteristic of the creative economy is that it has many dimensions, contributes to economic, social and cultural development and has the potential to contribute to achieving sustainable development goals. The creative economy can also be integrated with various other economic concepts to obtain creative ways to achieve sustainable development.

CONCLUSION

Implementation of the sustainable development concept is currently not yet optimally implemented at both the National and Regional levels, due to the application of a sectoral approach (sectoral ego) which is still an obstacle to implementation in the field. Sustainable development must be an integrated cross-sector and multidisciplinary program that needs to be strongly coordinated from the central level to the regional level and the wider community as actors in economic development. The concept of sustainable development and sustainable superior economic sector development in Ende district should be a joint commitment of all Regional Apparatus Organizations (OPD) or Regional Apparatus Work Units (SKPD) to carry out economic transformation while still paying attention to inclusivity at every level of society, while simultaneously designing the Regency Regional Development Planning concept An inclusive and sustainable Ende, economically, ecologically and socially through the integration of the Green economy, Blue economy and Orange economy. towards a golden Indonesia 2045. The orange economy or better known as the creative economy is an economic concept that focuses on the contribution and potential of creative assets to contribute to economic growth and development. The creative economy is a development option worth considering to be realized through innovative multidisciplinary and multisector policies. The main point in building a creative economy is the use of creativity and intellectual capital (Rivai & Anugrah, n.d.) as the main input in the process of creation, production and distribution. The creative economy includes a cultural and social economy that is integrated with technology, intellectual property, and tourism.

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