

## **An Analysis of the Determination of Priority Economic Sectors and Their Influence on Poverty in North Lombok Regency Indonesia**

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**ABSTRACT:** This study aims to analyze which sectors are priority economic sectors and their effect on poverty in North Lombok Regency in 2011-2024. The analytical methods used include Location Quotient, Growth Ratio Model analysis and Overlay analysis to identify priority sectors and multiple linear regression analysis to analyze the effect of priority sectors on poverty in North Lombok district. The data used is secondary data from 2011 to 2024 sourced from the Central Bureau of Statistics. The research approach uses an associative quantitative approach. The results of the study based on Location Quotient analysis, Growth Ratio Model and Overlay analysis show that of the 17 (seventeen) economic sectors there are 4 (four) sectors classified as priority economic sectors, namely, the agricultural sector, the trade sector, the food and beverage accommodation sector and the education services sector. Multiple linear regression analysis shows that the agricultural sector and education services have an effect on poverty in North Lombok, while the trade sector and food and beverage accommodation have no significant effect on poverty.

**KEYWORDS:** GRDP, Priority Economic Sectors, Poverty

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### **I. INTRODUCTION**

Economic growth is a strategic component in the process of national and regional development in Indonesia. Each region has different economic growth targets, tailored to their respective economic potential. The main objective is to encourage a gradual improvement in people's welfare through the achievement of solid economic indicators. The government has consistently made high economic growth a priority in designing physical and social development plans (Hadi et al., 2018).

The sectoral approach has widely become one of the many strategies undertaken by the government for more equitable regional development. The sectoral approach in this case prioritizes the efficient determination of leading sectors to act as drivers of the regional economy, absorb labor and reduce poverty. The sectoral approach is more encouraged through efforts to promote development in terms of regional policies (Limpele et al., 2023).

In the economic development of a region, poverty is one of the problems that must be resolved by the government. The problem of poverty is indeed a complex and multidimensional problem. Therefore, poverty alleviation efforts must be carried out comprehensively, cover various aspects of community life, and be implemented in an integrated manner. Poverty is caused by a number of factors, including a below-standard level of investment, high unemployment, and slow economic growth.

Poverty is globally defined as a condition in which individuals or groups do not have adequate access to the resources necessary to meet their basic needs, such as food, shelter, education, and healthcare. According to the World Bank, extreme poverty is defined as living on less than \$1.90 per day. However, poverty is not only measured in terms of income; it also includes other dimensions such as powerlessness, injustice, and lack of opportunities to participate in social and economic life (World Bank 2006).

Poverty is a complex and multidimensional problem that has become a development priority. Poverty is a national issue that continues to be a concern for many parties in Indonesia. This is because poverty is also included in the sustainable development indicators (SDGs) which are the first point of priority to be resolved. So far, the Indonesian government has had many programs to alleviate existing poverty. Poverty alleviation efforts are carried out to realize the ideals of the nation, namely, the creation of a just and prosperous society (Oktavianatun & Nugraheni, 2024).

The Central Statistics Agency (BPS) through its publication entitled "Statistics Indonesia 2024", noted that the number of poor people in Indonesia in 2023 reached 25,898,550 people. The highest percentage of poor people is dominated by Eastern Indonesia, namely provinces on the island of Papua, and in Central Indonesia there is West Nusa Tenggara province which is included in the

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10 provinces with the highest poverty rate in Indonesia, which amounted to 13.85% in 2023. The following is the data on the poverty rate in West Nusa Tenggara province by district/city in 2020-2024:

**Picture 1. Poverty Conditions in Districts/Cities of West Nusa Tenggara (%)**

District/City	Poverty Levels				
	2020	2021	2022	2023	2024
West Lombok District	14,28	14,47	13,39	13,67	12,65
Central Lombok District	13,44	13,44	12,89	12,93	12,07
East Lombok District	15,24	15,38	15,14	15,63	14,51
Sumbawa District	13,65	13,91	13,5	13,91	12,87
Dompu Distric	12,16	12,6	12,4	12,62	11,59
Bima District	14,49	14,88	14,5	14,39	13,88
West Sumbawa District	13,34	13,54	13,02	12,95	12,23
North Lombok District	26,99	27,04	25,93	25,8	23,96
Mataram City	8,47	8,65	8,63	8,62	8
Bima City	8,35	8,88	8,8	8,67	8,12

**Source:** Badan Pusat Statistik (BPS) 2025

The data in the table above shows the development of poverty conditions in North Lombok Regency over the past 4 years. Poverty conditions in North Lombok Regency showed fluctuating conditions in 2020 had decreased by 2.96%, but in the following year the poverty rate increased to 27.04%, this was indicated to be caused by the impact of Covid-19 which hit almost all regions in West Nusa Tenggara Province, positive developments occurred in the last two years North Lombok Regency managed to reduce the poverty rate by 1.76% in 2023. However, according to data released by the West Nusa Tenggara Central Bureau of Statistics, the percentage of poor people in North Lombok has the highest rank in West Nusa Tenggara province, namely 25.80% in 2023, and higher than the percentage of the poverty rate of West Nusa Tenggara province, namely 13.85%, this significant difference in distance shows a serious problem in North Lombok Regency.

Nowadays, the sectoral approach has widely become one of the many strategies adopted by the government for more equitable regional development. The sectoral approach in this case prioritizes the efficient determination of leading sectors to act as drivers of the regional economy, absorb labor and reduce poverty. The sectoral approach is more encouraged through efforts to promote development in terms of regional policies. Therefore, the sectoral approach as a tool to analyze economic benefits in North Lombok Regency is very important to consider in the formulation of development policies (Limpele, Kawung, & Tumangkeng, 2023).

In accordance with research conducted by Hasibuan et.al, 2022, which states that when Gross Regional Domestic Product increases it will have an impact on reducing the value of Poverty in Medan City, and vice versa. Furthermore, research conducted by Lahama et.al, 2018, based on the results of his research, the contribution of the agricultural priority sector is the largest in the absorption of labor in South Minahasa Regency, followed by the industrial sector which plays a significant role in labor absorption and poverty reduction (Ibenus Wenda, Amran Naukoko, 2023).

## II. LITERATURE REVIEW

### A. Poverty

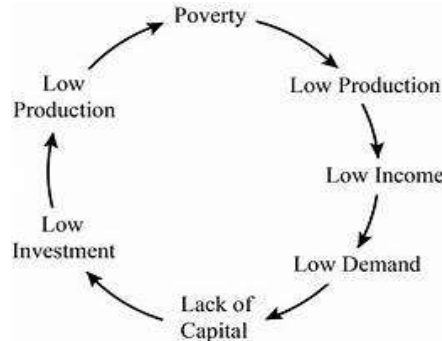
The Central Statistics Agency defines poverty as the inability to meet the minimum basic needs for a decent life. Poverty is a global problem because it is the most basic problem associated with meeting the needs of life, and it is also a problem faced by many countries. Poverty is also associated with limited employment opportunities, where the poor are often unemployed and generally have inadequate levels of education and health (Hutabarat, Lubis, & Suhariato, 2025).

There are three causes of poverty that lead to the vicious circle of poverty. Underdevelopment, market imperfections, and lack of capital lead to low productivity. Low productivity results in low income. This is reflected in the low Gross Regional Domestic Product figures and the priority economic sectors. Low investment results in low capital accumulation and thus low job creation. This is reflected in the high unemployment rate. Low capital accumulation leads to underdevelopment, and so on. This logic of thinking was put forward by renowned development economist Ragnar Nurkse in 1953. Therefore, every effort to fight poverty should be directed at cutting through these circles and poverty traps (Sihombing & Bangun, 2019).

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Poverty does not only mean material deprivation, but also limited access to education, health, decent housing, and opportunities for growth. According to the World Bank, extreme poverty is defined as a condition where a person lives on less than \$1.90 per day. However, poverty also has other dimensions that are equally important, such as multidimensional poverty that includes aspects of health, education, and living standards (Hutabarat, Lubis, & Suharianto, 2025).

### Vicious Circle Of Poverty



### B. Regional Economic Growth

Theory of Regional Economic Growth According to Tarigan (2005), regional economic growth refers to an increase in people's income caused by an increase in value added that occurs in the region as a whole. Regional income reflects the level of prosperity of a region that is influenced by economic activity involving payments for factors of production such as land, capital, labor, and technology operating in the region. To measure the increase in income from year to year, the measurement must be expressed in real value, that is, in value adjusted to constant prices (Hadi, Suciati, & Asnawi, 2018).

Robert M Solow developed a theory of growth known as neoclassical theory. According to Solow, the growth rate comes from three sources, namely capital accumulation, increased labor supply, and technological improvement. While Harrod Domar in the regional economic system assuming a closed economy, MPS is constant, production has a constant coefficient, and the growth rate of the labor force is constant. He concluded that growth can only be achieved if the equilibrium conditions are met (Saraswati, 2021).

### C. Gross Regional Domestic Product (GRDP)

Gross Regional Domestic Product (GRDP) is the gross value added of all goods and services created or produced in the domestic area of a region arising from various economic activities in a certain period regardless of whether the production factors owned by residents or non-residents. GRDP is also used to predict the level of welfare of the population in a particular region and as a parameter that is always used as a measuring tool for the level of regional welfare in an unspecified period of time. Gross Regional Domestic Product (GRDP) is an assessment of all services & goods produced in one region without comparing production problems usually within one year of production. According to the Central Bureau of Statistics 2018 to calculate the value of GRDP there are three approaches that can be used (Irmanelly & Soleh, 2013).

1. Production Approach, GRDP is the calculation of the added value of goods and services produced by various production units summed up in a region and at a certain time.
2. Income Approach, GRDP is a calculation of the factors of production that receive the amount of services in a production process in a region and at a certain time.
3. Expenditure Approach, GRDP is all components of final demand which includes consumption expenditure of households and private institutions, government consumption, gross domestic fixed capital formation, changes in inventories, net exports.

### D. Priority Economic Sectors

Priority economic sectors are sectors that have very high growth and strength, above average, so that they can become economic drivers in a region. The leading sector can be seen as one aspect that characterizes the economy in a region. On that basis, the leading sector is also said to reflect the structure of the economy. Leading sectors have varying criteria based on the magnitude of a sector's role in the regional economy. These criteria are, high growth rate, relatively large number of employment, high interrelationship between sectors, can be interpreted as a sector that is able to create high added value (Sari & Cahyono, 2022).

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The development of the economy of a region will result in changes in the role of each sector resulting in changes in the economic structure of the region, to identify the priority economic sectors of North Lombok Regency through Location Quotient (LQ). Location Quotient (LQ) analysis is used to identify the internal advantages of a region, namely which sectors are the economic base sector and non-base sector of a region (Sihombing & Bangun, 2019).

The Growth Ratio Model (MRP) compares the growth of an activity both on a broader scale and on a smaller scale. This analysis is used to see a comparison of the magnitude of the increase in income of an economic sector within the scope of the region. After the LQ and MRP analysis is conducted, the next step is to determine the priority economic sectors using Overlay analysis. The priority economic sectors are expected to reduce the poverty rate. The leading sector will certainly be one of the most important factors in increasing economic growth. In addition to activities in each sector that can attract domestic and foreign investment, leading sectors can also provide employment through activities in each sector. A leading sector is a sector that is able to encourage growth or development for other sectors. (Hailudin, Daeng, Nasir, Abu Bakar, & Suriadi, 2023).

### III. METHODOLOGY

The type of research conducted is associative and descriptive research. According to Sugiyono (2017) associative research is research that asks about the relationship between two or more variables. With this research, it can build a theory that serves to explain, predict, and control a symptom that is useful for analyzing how a variable affects other variables, namely in this research is the Priority Economic Sector and Poverty Level.

The data analysis technique in this study uses : in the determination of priority economic sectors using Location Quotient (LQ) analysis, Growth Ratio Model (MRP) and Overlay analysis to map the sectors included in the priority sector. multiple linear regression analysis, which is a probabilistic model that states a linear relationship between two or more variables where one variable is considered to affect another variable. With X is the independent variable (free), Y is the dependent variable (bound). In this study, the dependent variable (Y) is poverty and the independent variables (X) are Economic Sector Priority: (1) agriculture, (2) trade, (3) tourism, and (4) education services. The probabilistic model for multiple linear regression is as follows:

#### Location Quotient Analysis

$$LQ = \frac{S_i/S}{R_i/R}$$

Description:

- Si = GRDP of sector i in Regency S = Total GRDP in Regency
- Ri = GRDP of sector i in Province R = Total GRDP in Province
- LQ = Location Quotient Value

#### Growth Ratio Model (MRP)

Study area growth rate (RPs)

$$RPs = \frac{\Delta E_{ij}/E_{ij}(t)}{\Delta E_{iR}/E_{iR}(t)}$$

Description:

- ΔEij : is the change in income of activity I in the study area
- Eij : is the income of activity I at the beginning of the research period
- ΔEiR : is the change in income of activity I in the reference area
- EiR : is the income of activity I at the beginning of the research period.

#### Overlay Analysis

Result	LQ > 1	LQ < 1
Rps (+)	RPs (+) and LQ (> 1) Prove the passion of the sector is very prominent both from the growth ratio and comparative advantage	.RPs (+) and LQ (< 1) Prove the passion of the sector that has prominent growth but has no comparative advantage.
Rps (-)	RPs (-) and LQ (> 1) prove the passion of sectors that have small growth but have comparative advantage	RPs (-) and LQ (< 1) prove the passion of sectors with no potential from both analysis

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## Multiple Linear Regression Model

$$Y = \alpha + \beta_1 X_1 + \beta_2 X_2 + \beta_3 X_3 \dots \dots \beta_n X_n + \dots + e_i$$

Description:

Y = Poverty (dependent variable)

$\alpha$  = Constant

$\beta_1, \beta_2, \beta_3$  = Regression coefficient of each variable

$X_1, X_2, X_3$  = Economic sector priority (independent variable)

$e_i$  = Error Term

## A. Classical Assumption Test

### 1) Normality Test

This study uses the Jargue-Bera Test or J-B Test method, namely if the probability is  $> 0.05$ , the variables are normally distributed.

### Multikolonieritas Test

In this study, identify multicollinearity from the Variance Inflation Factor (VIF) value. If the VIF value  $\leq 10$ , it is stated that there is no multicollinearity. Conversely, if the VIF value  $\geq 10$ , then it is stated that multicollinearity occurs.

### Heterokedastisitas Test

Detection of heteroscedasticity can be done by looking at the presence or absence of certain patterns on the scatter plot graph.

With the condition that the probability value is  $> 0.05$

### Autokorelasi Test

To determine whether or not the regression equation has autocorrelation, the Run test approach will be used. If the Run value is  $> 0.05$  then autocorrelation symptoms can be ignored.

## B. Statistical Test

### F Test (Simultaneous)

The conditions that the f test has are as follows:

1. If the significance value  $< 0.05$  or  $H_0$  is rejected and  $H_a$  is accepted, it means that the independent variables together (simultaneously) have a significant effect on the dependent variable.
2. If the significance value  $> 0.05$  or  $H_0$  is accepted and  $H_a$  is rejected, it means that the independent variables together (simultaneously) have no significant effect on the dependent variable.

### T Test (Partial)

The conditions that the partial test has are as follows:

1. If the probability (significance)  $< 0.05$  or t count  $>$  t table, then  $H_0$  is rejected and  $H_a$  is accepted.
2. If the probability (significance)  $> 0.05$  or t count  $<$  t table, then  $H_0$  is accepted and  $H_a$  is rejected.

### Coefficient of Determination ( $R^2$ )

The coefficient of determination ( $R^2$ ) ranges from 0 to 1. If the  $R^2$  value is closer to 1, it indicates that the results for the regression model are good or the independent variables as a whole can explain the dependent variable. Meanwhile, if the  $R^2$  value is closer to 0, it means that the independent variables as a whole cannot explain the dependent variable.

## IV. RESULTS AND DISCUSSION

### A. Determination of Priority Economic Sectors

This analysis uses the results of the MRP and LQ values. From the results of the analysis that has been carried out on the LQ and MRP methods, it is then continued with an overlay analysis by mapping the economic sector, given a positive symbol (+) if the value is more than one and given a negative symbol (-) for a value less than one.

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Classification and mapping results of the Periritas Economic Sector as follows:

Business Field	LQ	MRP
Agriculture	1,57	1,43
Mining and Quarrying	0,25	2,69
Manufacturing	0,33	0,56
Electricity and Gas Procurement	1,49	3,36
Water Procurement and Waste	1,60	0,95
Construction	0,98	0,93
Trade	1,01	1,03
Transportation and Warehousing	0,82	-0,68
Tourism	2,59	1,14
Information and Communication	0,90	2,19
Financial and Insurance Services	0,73	1,11
Real Estate	1,30	1,12
Corporate Services	1,30	1,23
Government Administration	1,16	0,77
Educational Services	1,25	1,26
Health and Social Services	0,89	1,43
Other Services	1,02	0,83

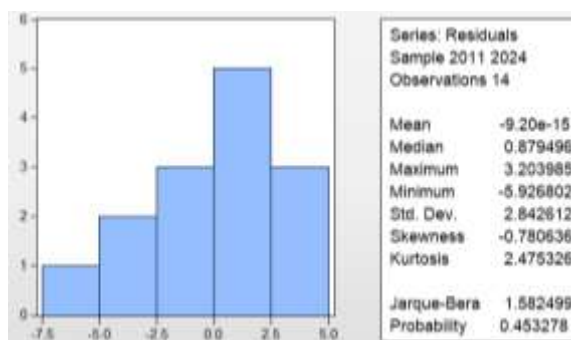
Result	LQ>1	LQ<1
MRP (+)	(Priority Sectors) 1.Agriculture, Forestry and Fisheries 2.Wholesale and Retail Trade, Repair of Cars and Motorcycles 3.Tourism 4.Education Services	(Prospective Sectors) 1.Constructive 2.Financial and Insurance Services 3.Other Services
MRP (-)	(Leading Sector) 1.Electricity and Gas Procurement 2.Water Procurement, Waste and Recycling 3.Real Estate 4.Company Services 5.Government Administration, Defense, and Compulsory Social Security	(Lagging Sector) 1.Mining and Quarrying 2.Processing Industry 3.Transportation and Warehousing 4.Information and Communication 5.Health Services and Social Activities

In the picture above, it can be seen that the sector that is included in the classification of priority economic sectors is with a positive overall value and means that the sector has high sectoral growth and a greater contribution in North Lombok Regency compared to West Nusa Tenggara Province. This shows that the sector has competitiveness because it has advantages at the district and provincial levels and must be developed. There are 4 sectors that fall into the priority sector category, namely the agricultural sector, Agriculture, Forestry and Fisheries sector; Wholesale and Retail Trade, Car and Motorcycle Repair; Accommodation and Drinking Food Providers; Education and Services. According to Lewis (1954) interrelated sectors, such as agriculture that provides raw materials for industry, can create synergies that promote economic growth. when one sector grows, other sectors can also be positively affected. According to Richardson (1973), the basis sector acts as a prime mover in the growth of a region. This is indicated by the development and contribution of the sector which continues to be stable and significant from year to year so that it can have a positive impact on the economic growth of North Lombok Regency.

## B. Classical Assumption Test

### 1. Normality Test

The normality test is carried out to test whether in a regression model, an independent variable and a dependent variable or even both have a normal distribution or not. In this study, the normality test was carried out by comparing the calculated JB (Jarque-Bera) probability value with an alpha level of 0.05 (5%). With its provisions if the Prob value. JB count > 0.05 then the data is normally distributed, while if the Prob value. JB count < 0.05 then the data is distributed abnormally. The results of the normality test can be seen in the following graph:



From the test results obtained the value of Prob. JB calculated value of 0.453278 > 0.05 so it can be concluded that the residuals are normally distributed, it can be said that the assumption of normality is met.

### 2. Multicollinearity Test

Multicollinearity test aims to test whether the regression model found a correlation between the independent variables (independent). To find whether or not there is multicollinearity in the regression model, it can be seen from the variance inflation factor (VIF) with the provisions of the VIF value < 10. The results of the multicollinearity test can be seen in the following table :

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Variable	Coefficient Variance	Uncentered VIF	Centered VIF
X1	3.91E-10	1.482881	1.072387
X2	1.44E-12	2.662095	2.281480
X3	6.74E-14	3.293293	2.584174
X4	0.000442	20.63073	1.368844
C	19.64851	23.56793	NA

Based on the multicollinearity test results, it is known that each independent variable, namely the Agriculture Sector ( $X_1$ ) of 1.072387, the Trade Sector ( $X_2$ ) of 2.281480, the Tourism Sector ( $X_3$ ) of 2.84784, the Education Services Sector ( $X_4$ ) of 1.368844, and the Financial Services Sector ( $X_5$ ) of 1.368844, has a VIF value  $< 10$ , so it can be concluded that there is no multicollinearity.

### 3. Heteroscedasticity Test

Detection of heteroscedasticity can be done by looking at the presence or absence of certain patterns on the scatter plot graph. Based on the results of the heteroscedasticity test that in the primary, secondary and tertiary sectors the Prob-Square value is  $> 0.05$ , meaning that it meets the requirements and there is no heteroscedasticity.

Heteroskedasticity Test: Breusch-Pagan-Godfrey  
Null hypothesis: Homoskedasticity

F-statistic	0.655345	Prob. F(4,9)	0.6378
Obs*R-squared	3.157915	Prob. Chi-Square(4)	0.5318
Scaled explained SS	0.962692	Prob. Chi-Square(4)	0.9154

Based on the results of the heteroscedasticity test, that the average probability value is above 5%, so the heteroscedasticity test in the classical assumption test meets the requirements.

### 4. Autocorrelation Test

Breusch-Godfrey Serial Correlation LM Test:  
Null hypothesis: No serial correlation at up to 2 lags

F-statistic	0.332345	Prob. F(2,7)	0.7280
Obs*R-squared	1.214094	Prob. Chi-Square(2)	0.5450

To determine whether or not the regression equation has autocorrelation, the Run test approach will be used. If the Run value is  $> 0.05$  then autocorrelation symptoms can be ignored. Based on the results of the autocorrelation test that the Run Prob Chi-Square value is  $> 0.05$ , then there is no autocorrelation.

### C. Statistical Test

1) **T Test (Partial)** : Partial test is a test used to ascertain whether the independent variables in the regression model have a significant effect individually on the dependent variable. The t test results can be seen in the following table:

Variabel	Coefficient	t-Statistic	Prob.
C	82.28091	17.42080	0.0000
X1	-4.501569	-2.276551	0.0488
X2	-1.369766	-1.140109	0.2838
X3	-1.369766	-0.438057	0.6177
X4	-0.079164	-3.766133	0.0044

The T (Partial) test results above can be explained as follows :

- It is known that the coefficient (constant)  $a$  is 82.28091, meaning that if the agricultural sector, trade sector, tourism sector and education services sector are considered constant (value 0) then Poverty from 2011 to 2024 is 82.28091.
- The regression coefficient value of the agricultural sector of -4.501569% shows the relationship between investment and the leading sector, each 1% increase in investment will increase the leading sector by 4.5%. The probability value of the investment variable is 0.0488 or smaller than 0.05 (alpha 5%). The agricultural sector variable ( $X_1$ ) has a t-count value of

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2.27651 and a t-table value of 2.14479 or  $t\text{-count} > t\text{-table}$ , it can be concluded that the agricultural sector variable has a negative and significant effect at 5% alpha on poverty.

3. The estimation results show that the probability value of the Trade variable is 0.2834 or greater than 5% or 10% alpha. This capital expenditure variable (X2) has a t-count value of 1.140709 and a t-table value of 14479 or  $t\text{-count} < t\text{-table}$ , it can be concluded that the retail trade variable has a negative but insignificant effect at 5% or 10% alpha on poverty, so that if the bedar and retail trade increases by one unit it will affect and reduce poverty.
  4. The estimation results show that the probability value of the sector variable is 0.6717 or greater than 0.05 (5% alpha). The employment opportunity variable (X3) has a t-count value of 0.438057 and a t-table value of 2.14479 or  $t\text{-count} < t\text{-table}$ , it can be concluded that the food and beverage accommodation variable has a negative and insignificant effect at 5% alpha (0.05) on poverty, so that if the tourism sector increases by one unit it will affect poverty reduction.
  5. The estimation results show that the probability value of the education services variable is 0.0044 or smaller than 0.05 (5% alpha). This education service variable has a t-count value of 3.766133 and a t-table value of 2.14479 or  $t\text{-count} > t\text{-table}$ , it can be concluded that the education service variable has a negative and significant effect at 5% alpha (0.05) on poverty, so that if the education service sector increases by one unit it will affect or reduce poverty.
- 2) **F Test (Simultaneous)** : The F test is a test used to test whether the independent variables together (simultaneously) affect the dependent variable. The results of the F test can be seen from the following table:

<b>F-Statistic</b>	11.46038
<b>Prob (F-statistic)</b>	0.001399

Based on the estimation results, the calculated F value is 11.46038 and the Ftable value is 3.48 or  $F\text{count} > F\text{table}$  and the f-statistic probability value is 0.001399 or smaller than 0.05 (5%), this indicates that the independent variable (X) has a significant influence on the dependent variable (Y). This means that the level of the agricultural sector, retail trade sector, food and beverage accommodation sector and education services have an influence on poverty in North Lombok Regency from 2011 to 2024.

- 3) **Coefficient of Determination (R<sup>2</sup>)** : The coefficient of determination (R<sup>2</sup>) test is a test used with the aim of knowing how much influence the independent variable has on the dependent variable.

<b>R-Squared</b>	0.835891
<b>Adjusted R-squared</b>	0.762953

Based on the estimation results that the correlation coefficient value ( $R = 0.835891$ ) positively there is a relationship between the independent variable and the dependent variable with a closeness of 83.58%. While the R-Squared (R<sup>2</sup>) value is 0.762953, meaning that the independent variable (X) has an effect of 76.29% on the dependent variable (Y) and 23.71% is influenced by other variables outside the model.

### D. Discussion

- 1) The agricultural sector has a very important role in reducing poverty in North Lombok. According to the Central Statistics Agency (BPS), the number of rural poor people is 319.86 thousand in West Nusa Tenggara province. The poor population in North Lombok is dominated by the rural poor because the majority of the population are farmers based on the results of the census there are 44,426 agricultural business households in North Lombok. With Agriculture not only being a source of livelihood for most of the population, increasing agricultural productivity, farmers' incomes can increase, which in turn helps reduce poverty levels, In line with research conducted by Syahputri Diana et., al (2024) shows that the results of secondary data analysis show that the agricultural sector has a significant contribution to poverty reduction and welfare improvement in developing countries.
- 2) The trade sector in North Lombok Regency, although it has the potential to improve the economy, according to data from the Central Statistics Agency (BPS), this sector contributed around 14.43% of the total GRDP in 2023 but the trade sector did not show a significant influence on poverty reduction. One of the main reasons is that many of the jobs available in this sector are informal and insecure. Informal jobs often do not provide stable income and social security, so people involved in the

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trade sector remain trapped in vulnerable economic conditions. This income insecurity makes it difficult for them to fulfill basic needs, such as food, education and health, which in turn reinforces the cycle of poverty.

- 3) The tourism sector in North Lombok district, despite its potential to contribute to the local economy, has not shown a significant effect on poverty reduction. Although in 2024 it grew by 14.29%, the Covid 19 spike in 2020 to 2022 had a bad enough impact on the economy that made the tourism sector temporarily stop, according to data shown by BPS North Lombok district in 2020 the sector experienced a decline of -48.78%, and experienced a decrease in contribution to GDRP in 2021, namely - 0.5%. One of the main reasons is that this sector often depends on tourism, which is seasonal and not always stable. in accordance with research conducted by Rohmat N, & Inrawati L., R (2022) states that the tourism sector has a negative and insignificant effect on poverty in Central Java.
- 4) The education services sector has a significant influence on poverty reduction in North Lombok Regency, especially among the rural poor. The education services sector in North Lombok Regency showed a consistent role in supporting human resource development during the 2020-2024 period. In 2024, the sector's contribution to GRDP reached 5.83% with a production value of Rp348.87 billion, an increase from Rp331.47 billion in 2023. Human capital theory, proposed by economist Gary Becker, states that investment in education and training increases the skills and productivity of individuals. In North Lombok Regency, a good education can increase an individual's ability to get a better job and earn a higher income. In line with Surbakti et. al's research (2023) which states that the level of education (literacy rate) affects poverty reduction in Indonesia.

### **V. CONCLUSIONS**

Based on the results of research and discussion of An Analysis of the Determination of Priority Economic Sectors and Their Influence on Poverty in North Lombok Regency. Then the following conclusions can be drawn:

The results of the study based on Location Quotient analysis, Growth Ratio Model and Overlay analysis show that of the 17 (seventeen) economic sectors there are 4 (four) sectors classified as priority economic sectors, namely, the agricultural sector, the trade sector, the food and beverage accommodation sector and the education services sector. Multiple linear regression analysis shows that the agricultural sector and education services have an effect on poverty in North Lombok, while the trade sector and food and beverage accommodation have no significant effect on poverty.

### **ACKNOWLEDGMENT**

With gratitude, the author would like to express his deepest gratitude to all parties who have played a role in the preparation from this journal. First, a sincere thank you to Mr. Ihsan Rois and Mr. Subhan Purwadinata for their endless guidance, advice, and support throughout the research and writing process. The author also thanked the family, especially the two parents who always provided moral support, enthusiasm, and understanding to the author. And also thank you to the author's friends who always provide support to the author so that they can complete this research. Without your love and encouragement, the writer would not be able to accomplish this task correctly. In addition, the author also thanked previous researchers whose work became an important basis and reference in this research. Your contributions in this field have provided invaluable inspiration and insight for writers. Finally, I hope that this journal can provide great benefits and a positive contribution to the development of science and be useful for the readers.

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