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ANALYSIS OF CHANGES IN ECONOMIC STRUCTURE INDRAGIRI HULU REGENCY WITH SHIFT SHARE APPROACH

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Abstract

Initially, the agricultural sector became one of the dominant sectors in the formation of GRDP in Indragiri Hulu Regency. Slowly the agricultural sector experienced a shift or change to the manufacturing sector. This study aims to determine changes in the economic structure in the Indragiri Hulu Regency using the Shift-Share approach in 2016–2022. Shift Share analysis is used to determine changes and shifts in the structure of the economy. The Shift-Share analysis results will describe the performance of the sectors in the GRDP in Indragiri Hulu Regency compared to Riau Province. The results showed that the economic growth of Riau Province had an impact on the economic sectors in Indragiri Hulu Regency. The sector that received the greatest impact was the manufacturing sector and the smallest was the corporate services sector. Economic sectors with slow growth as a result of growth in the same sector at the provincial level are the mining and quarrying sector; construction sector; transportation and warehousing sector; the accommodation and food supply sector; corporate service sector; government administration sector, defense and compulsory social security and other service sectors. In terms of competitiveness, 16 sectors have a positive value, which means that these sectors have good competitiveness against the same sector in Riau Province, and only one sector has a negative sign, namely the electricity and gas procurement sector, indicating that the sector does not have competitiveness (does not have a competitive advantage) against the same sectors in Riau Province. The sectors that have the most dominant influence on the shift in the economic structure of Indragiri Hulu Regency are the manufacturing sector and the agricultural, forestry, and fisheries sectors.

Keywords: *Analisis Shift Share, Provincial Share, Proportional Shift, Differential Shift, PDRB*

INTRODUCTION

Regional development planning is one of the most important factors in the context of developing the economy of a region, it is intended that each region has high competitiveness to continue to grow and develop and be able to encourage progress in the growth of other sectors. In carrying out economic development various special criteria are needed in determining the base sectors or leading sectors.

Regional economic development is a process in which local governments and their communities manage existing resources and form a pattern of partnership between local governments and the private sector to create new jobs and stimulate the development of economic activities in the region. The main problem in regional development lies in the emphasis on development policies based on the characteristics of the region concerned by using the potential of human resources, institutions, and physical resources locally (regionally). This orientation directs us to take initiatives originating from the area in the

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development process to create new job opportunities and stimulate increased economic policies (Arsyad: 2015).

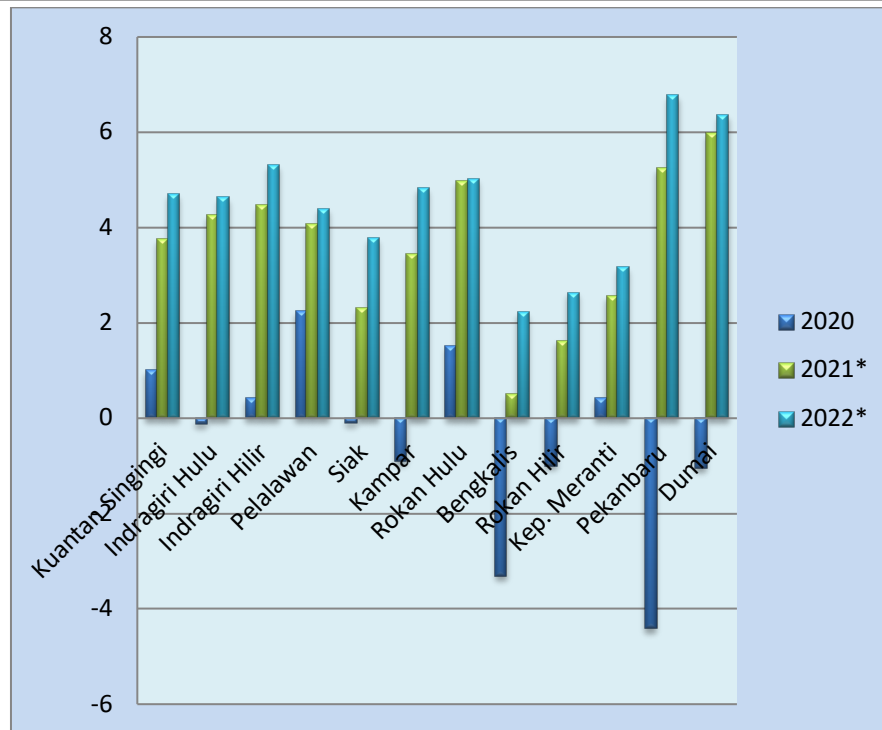
The issuance of Law Number 32 of 2004 which was later replaced by Law Number 23 of 2014 concerning Regional Government states that regional governments have broader authority to regulate and manage various government affairs for the benefit and welfare of society. Law Number 33 of 2004 concerning the financial Balance between the Center and the Regions, is a manifestation of the policies of the central government to empower and improve the capabilities of local communities in order to improve the economy in the regions. The two laws have important meaning for the regions because of the delegation of authority and financing which has been the responsibility of the central government (Pynatih: 2017).

One of the strategies used by the government to create high economic growth is to stimulate economic sectors that can provide large added value in a short time. One of the economic indicators needed to measure the performance of a region's economic growth is the Gross Regional Domestic Product (GRDP). GRDP shows the resources generated through the identification of goods and services so that it can be used as a basic reference for planning and evaluating the development of a region. To develop economic growth as seen from the development of GRDP, it is necessary to develop economic development that refers to leading sectors that will later affect fundamental changes in the structure of the regional economy.

Economic development is marked by structural transformation where in this period some sectors grow faster than other sectors (Mecik: 2014). Structural transformation is defined as a change in the structure of the economy from a traditional sector that has low productivity to an economic sector with high productivity (Szirmai: 2012). Changes in the economic structure are marked by the declining contribution of the agricultural sector and the increasing contribution of the industrial and service sectors, both in Gross Domestic Product (GDP) and in employment. An increase in the rate of economic growth also illustrates an increase in people's income that it will change people's consumption patterns from agricultural goods (food) to non-food goods (industry and services).

Indragiri Hulu Regency is one of the regencies in Riau Province which is included in the main corridor of the Master Plan for the Acceleration of Indonesian Economic Development (MP3EI) for the Sumatra region. Indragiri Hulu Regency has a fairly high economic growth rate when compared to several other districts in Riau Province. Indragiri Hulu Regency used to rely on the agricultural sector but is now slowly experiencing a shift or change, although the agricultural sector remains one of the dominant sectors in the formation of GRDP. The agricultural sector is now shifting to the industrial sector as a business sector that is able to absorb investment and labor opportunities which will have an impact on accelerating the development process.

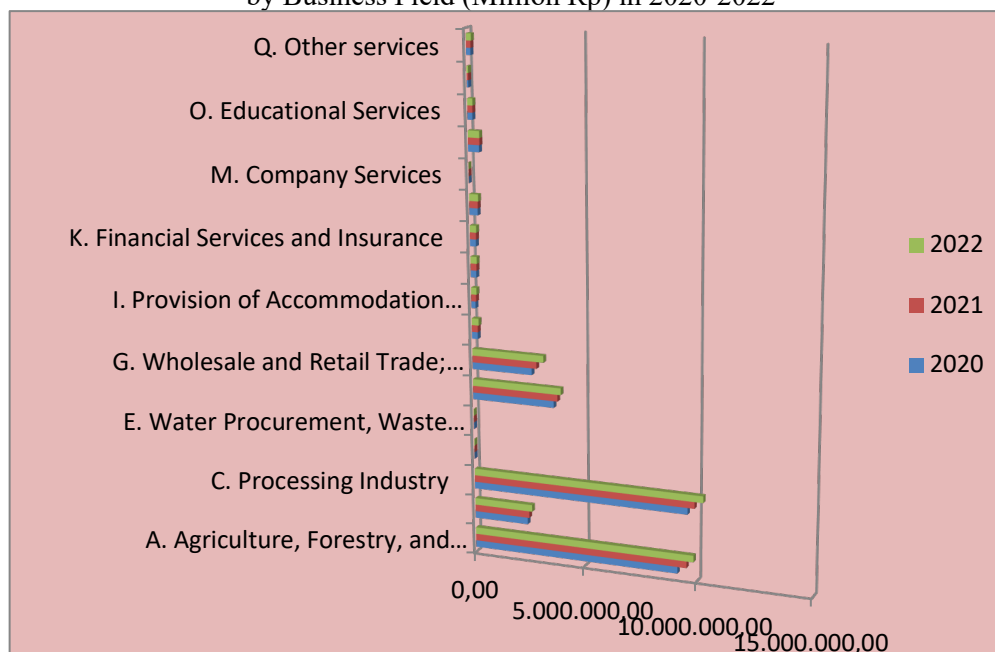
Figure 1: Regency/City Economic Growth Rate Riau Province in 2020-2022



Source: BPS Riau Province 2023

Based on the figure above, it can be seen that in 2020 the rate of economic growth has decreased drastically to a negative number due to the COVID-19 outbreak which has had an impact on a decline in business sectors in each district/city. In 2021 the economic growth rate for districts/cities in Riau Province has managed to grow by 3.36% and will continue to increase in 2022 by 4.55%.

Figure 2: GRDP of Indragiri Hulu Regency at 2010 Constant Prices by Business Field (Million Rp) in 2020-2022

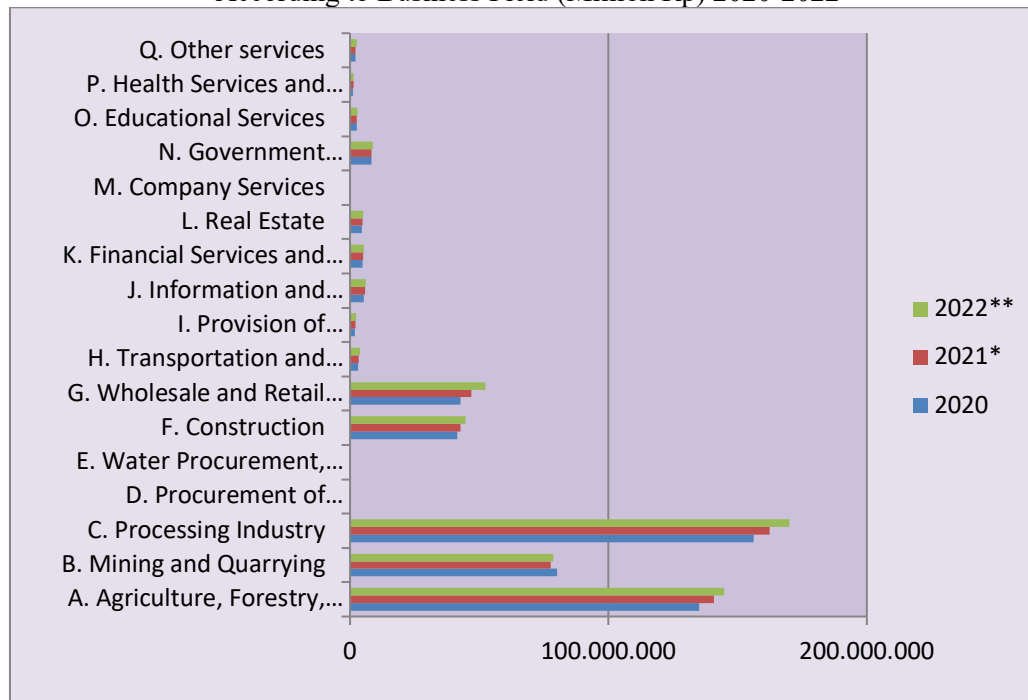


Source: BPS Indragiri Hulu Regency 2023

Based on the data in the figure above, it can be seen that in 2020-2022 there are 5

main dominant sectors in the formation of GRDP in Indragiri Hulu Regency, namely the agricultural, forestry, and fisheries sectors; mining and quarrying sector; processing industry sector; the construction sector and the wholesale and retail trade sector: car and motorcycle repair. The 2010 Indragiri Hulu ADHK GRDP figure according to business activities in 2020 was 29.832 trillion Rupiah, then it increased in 2021 to 31.103 trillion Rupiah. In 2022 economic growth will increase by 4.63% with a GRDP of 32.544 Trillion Rupiah.

Figure 3: GRDP of Riau Province at Constant 2010 Prices
According to Business Field (Million Rp) 2020-2022



Source: BPS Riau Province 2023

Based on the data in the figure above, it can be seen that in 2020-2022 there are 5 main dominant sectors that are the same as the Indragiri Hulu district in the formation of the PDRB of Riau Province. The 2010 ADHK Riau Province GRDP value according to the business field in 2020 amounted to 489.996 Trillion Rupiah then experienced an increase in 2021 of 506.472 Trillion Rupiah. In 2022 the rate of economic growth will increase by 4.55% with a GRDP of 529.532 Trillion Rupiah.

To see how changes in the structure of the economy in Indragiri Hulu Regency can be used calculations with Shift-Share analysis. According to J. Tipka (2014) Shift Share analysis is a simple analysis using the concept of proportion and growth where we can see which sectors in an area are superior to other regions. Shift-Share analysis is an analysis to determine the shift in the share of the economic sector. This analysis is used to analyze the performance of the regional economy. (Arsyad: 2015)

LITERATURE REVIEW

Economic Structure Theory

Economic structure is the composition or arrangement of economic sectors in an economy. The dominant or relied-on sector has the top position in the structure and is the source of livelihood for the majority of the population as well as being the largest absorber of labor and a characteristic of an economy (Arsyad: 2015). There are 2 types of economic structure in Indonesia, namely:

1. An agrarian structure is an economic structure dominated by the agricultural sector. In general, they are in developing countries (developing countries) and countries that are not yet included in developing countries (underdeveloped countries) whose agriculture is still very traditional, that is, it is categorized as a traditional agricultural country.
2. Industrial structure is an economic structure dominated by the industrial sector. Most of the domestic product figures and the rate of economic growth were contributed by the industrial sector.

Budihardjo et al (2011) argued that structural change is the emergence of new sectors in the economy, the disappearance of old sectors, and the shifting of the contribution weight of each sector in the economy. The theory of structural change focuses on the mechanism of change in the economic structure of developing countries, where the focus of production in the economy relies on the agricultural sector or is subsistence in nature. This production focus will later transform towards the industrial and service sectors that are urban-oriented and more modern (Todaro and Smith: 2011). Chenery's theory explains the theory of structural change using the Pattern of Development theory. The Pattern of Development theory explains structural changes in the stages of the process of economic change in developing countries that are experiencing an economic transformation from traditional agriculture to the industrial sector as the main engine of economic growth (Sun'an: 2015).

Gross Regional Domestic Product (GRDP)

GRDP according to Saberan (2002) is the added value that can be created from various economic activities in a region. The term GRDP is a combination of four words. The first is the product, which means all production values, both goods and services. The second is domestic, which means the calculation of the value of production produced only by factors of production that are within the domestic territory, regardless of whether those factors of production are controlled by the population or not. The third is regional, which means that the calculation of production value is only produced by residents without regard to whether the factors of production used are in the domestic area or not. The last is gross, which means calculating the gross production value because it still contains depreciation costs.

The Gross Regional Domestic Product (GRDP) according to BPS (2023) is the gross added value of all goods and services created or produced in the domestic territory of a country arising from various economic activities in a certain period regardless of whether the factors of production are owned by people from the region, themselves (residents) or other people (non-residents).

RESEARCH METHODS

This research was conducted in Indragiri Hulu Regency, Riau Province, using published data from the Central Bureau of Statistics for Indragiri Hulu Regency and Riau Province. The data used is GRDP at constant prices with the base year of 2010 according to business fields in Indragiri Hulu Regency and Riau Province in 2016 - 2022.

The data analysis technique used is Shift-Share Analysis. The shift-share analysis is used to determine sectoral changes and shifts in the regional economy in the Indragiri Hulu district. The Shift-Share analysis results will describe the performance of the sectors in the

GRDP in Indragiri Hulu Regency compared to Riau Province. The shift-share analysis is used to observe the structure of the economy and its shifts, as well as the development of strategic planning by emphasizing sector growth in the region compared to the same sector at a higher regional or national level (Rice et al: 2010).

Through Shift-Share analysis, economic growth and structural shifts in the economy of the analysis area are determined by three components, namely:

1) Provincial Share (Ps)

Explaining the comparison of provincial economic growth with regional economic growth. In this case, it is used to determine the growth or shift in the economic structure of Indragiri Hulu Regency by looking at the GRDP value of Indragiri Hulu Regency as an observation area in the initial period which was influenced by the shift in economic growth in Riau Province. The calculation results describe the role of the Riau Province region in influencing the economic growth of the Indragiri Hulu Regency.

$$Ps_{r,i,t} = E_{r,i,t-n} (E_{N,t} / E_{N,t-n}) - E_{r,i,t-n}$$

2) Proportional Shift (P)

Shows changes in the performance of an economic sector (business field) in a certain area against the same sector in provincial or national references. In this case the growth of the gross added value of a sector in Indragiri Hulu Regency compared to the total sector at the Riau Province level.

$$P_{r,i,t} = \{(E_{N,i,t} / E_{N,i,t-n}) - (E_{N,t} / E_{N,t-n})\} \times E_{r,i,t-n}$$

3) Differential Shift (Ds)

Determine how far the ability of economic competitiveness is in an area with the area used as a reference. In this case to find out the difference between economic growth in Indragiri Hulu Regency and the gross added value of the same sector at the Riau Province level.

$$Ds_{r,i,t} = \{(E_{r,i,t} / E_{r,i,t-n}) - (E_{N,i,t} / E_{N,i,t-n})\} \times E_{r,i,t-n}$$

To calculate the Shift-Share the following formula is used:

$$G = Ps + P + Ds$$

Information:

$E_{r,i,t}$ = GRDP of Indragiri Hulu Regency sector i year t

$E_{r,i,t-n}$ = GRDP of Indragiri Hulu Regency sector i year t-n

$E_{N,t}$ = Total GRDP of Riau Province in year t

$E_{N,t-n}$ = Total GRDP of Riau Province in year t-n

$E_{N,i,t}$ = GRDP sector i Riau Province year t

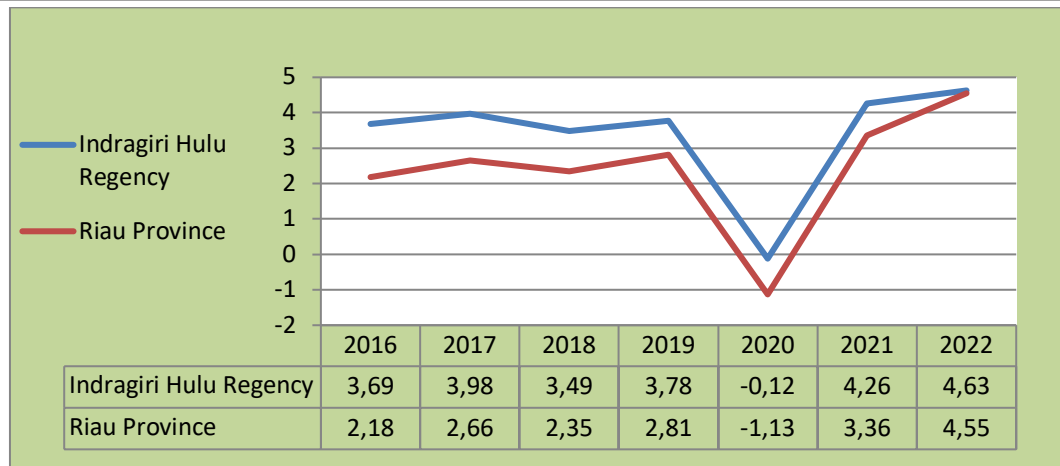
$E_{N,i,t-n}$ = GRDP of sector i of Riau Province in years t-n

FINDINGS AND DISCUSSION

a. Economic Conditions

Regional development policies must focus on economic development in the region based on the characteristics of the region concerned (endogenous development) by utilizing the potential of human, institutional, and physical resources locally. The following is the GRDP growth rate of Indragiri Hulu Regency and Riau Province at constant 2010 prices by business sector from 2016 to 2022:

Figure 4: ADHK GRDP Growth Rate Indragiri Hulu Regency and Riau Province 2016-2022



Source: BPS Indragiri Hulu Regency and Riau Province, 2023

The rate of economic growth in Indragiri Hulu Regency has fluctuated from 2016 to 2022. A significant decline occurred in 2020 reaching -0.12% which is an illustration of the decline in production in several business fields as a result of the Covid 19 pandemic. In 2021 and 2022 the growth rate managed to rise to 4.26% and 4.63%. The economic growth rate of Riau Province has also fluctuated, growth conditions fell significantly in 2020 by -1.13% due to a decrease in the GRDP contribution from regencies/cities impacted by the Covid 19 outbreak. The growth rate of Riau Province has increased in 2021 by 3, 36% and in 2022 it will increase to 4.55%.

The economic structure of Indragiri Hulu Regency and Riau Province from 2016 to 2022 is dominated by the two business fields that make the largest contribution to the formation of GRDP, namely the agriculture, forestry, and fisheries sectors; and the processing industry sector. In 2016 the growth rate of the agriculture, forestry, and fisheries sectors in Indragiri Hulu Regency was 3.13% and in 2022 the growth rate experienced a slowdown of 3.20% when compared to 2021 which grew by 4.35%. The growth rate of the agriculture, forestry, and fisheries sectors in Riau Province in 2016 was 3.98% and in 2022 it experienced a slowdown of 2.82% when compared to 2021 which grew by 4.14%. The growth rate of the processing industry sector in Indragiri Hulu district and Riau province in 2020 was at the lowest growth rate of 1.07% and 1.91%, respectively. In 2022 the growth rate of the processing industry sector in Indragiri Hulu district and Riau Province has managed to grow by 3.85% and 4.73% respectively.

The biggest role in the formation of the GRDP of Indragiri Hulu Regency at current prices in 2022 is the agriculture, forestry, and fisheries sector, which is 29.32%, followed by the manufacturing sector, which is 27.34%. while the largest role in the formation of Riau Province's GRDP was produced by the manufacturing sector at 27.36%, followed by the agriculture, forestry, and fisheries sectors; and mining and quarrying respectively by 24.69% and 23.43%.

b. Shift Share Analysis

To analyze the economic growth and competitiveness of a region is the aim of analyzing shifts in the economic structure using the Shift-Share approach. The Shift-Share analysis explains the effect of the GRDP in the higher regions (Riau Province) on the GRDP of Indragiri Hulu Regency. The data used in the Shift-Share calculation is GRDP at constant prices in 2010 based on business fields at two points in time.

Table 1: GRDP of Indragiri Hulu Regency and Riau Province in 2016 and 2022

Business Field	Indragiri Hulu Regency (Million Rp)		Riau Province (Million Rp)	
	2016	2022	2016	2022
A. Agriculture, Forestry, and Fisheries	7.853.857,44	9.844.052,27	113.287.592	144.691.042
B. Mining and Quarrying	2.546.812,55	2.625.334,17	103.958.452	78.744.076
C. Processing Industry	8.219.965,12	10.256.830,85	132.525.102	170.116.902
D. Procurement of Electricity and Gas	14.283,89	18.133,53	272.247	440.826
E. Water Procurement, Waste Management, Waste and Recycling	14.248,02	16.423,22	62.395	73.418
F. Construction	3.372.626,85	3.983.678,96	36.137.431	44.659.759
G. Wholesale and Retail Trade; Car and Motorcycle Repair	2.534.273,97	3.221.185,87	40.709.270	52.427.970
H. Transportation and Warehousing	298.624,57	314.007,90	3.889.187	3.969.952
I. Provision of Accommodation and Food and Drink	208.074,18	244.255,38	2.087.364	2.397.738
J. Information and Communication	188.593,47	284.092,09	3.883.711	6.094.466
K. Financial Services and Insurance	247.045,92	288.204,36	4.481.270	5.277.311
L. Real Estate	334.718,47	403.524,73	4.087.726	5.106.220
M. Company Services	901,07	887,98	24.106	25.873
N. Government Administration, Defense, and Compulsory Social Security	481.688,77	510.639,99	8.203.390	8.875.529
O. Educational Services	187.360,67	235.151,20	2.184.907	2.777.136
P. Health Services and Social Activities	50.628,07	72.802,41	824.915	1.351.714
Q. Other Services	189.239,26	224.469,81	2.150.277	2.503.046
GRDP	26.742.942,27	32.543.674,73	458.769.340	529.532.979

Source: BPS Indragiri Hulu Regency and Riau Province, 2023

1) Ratio of GRDP of Indragiri Hulu Regency and Riau Province in 2016-2022

The first step to analyze the Shift Share is to calculate the activity growth ratio of each sector i in Indragiri Hulu Regency (r_{ij}), the activity growth ratio of each sector i in Riau Province (r_{in}), and the ratio of the total GRDP growth ratio of Riau Province (r_n).

Table 2: GRDP Ratio of Indragiri Hulu Regency and Riau Province

Business Field	r_{ij}	r_{in}	r_n
A. Agriculture, Forestry, and Fisheries	0,253	0,116	0,068
B. Mining and Quarrying	0,031	-0,080	0,068
C. Processing Industry	0,248	0,111	0,068
D. Procurement of Electricity and Gas	0,270	0,364	0,068
E. Water Procurement, Waste Management, Waste and Recycling	0,153	0,104	0,068
F. Construction	0,181	0,041	0,068
G. Wholesale and Retail Trade; Car and Motorcycle Repair	0,271	0,083	0,068
H. Transportation and Warehousing	0,052	-0,064	0,068
I. Provision of Accommodation and Food and Drink	0,174	0,026	0,068
J. Information and Communication	0,506	0,290	0,068
K. Financial Services and Insurance	0,167	0,149	0,068
L. Real Estate	0,206	0,108	0,068
M. Company Services	-0,015	-0,137	0,068
N. Government Administration, Defense, and Compulsory Social Security	0,060	0,032	0,068
O. Educational Services	0,255	0,096	0,068
P. Health Services and Social Activities	0,438	0,325	0,068
Q. Other Services	0,186	-0,087	0,068

Source: Processed Data, 2023

The value of the r_{ij} ratio in the table above is the ratio of changes in economic activity

in sector i in Indragiri Hulu Regency. There are 16 sectors with a positive sign, which shows that from 2016 to 2022 each economic sector has experienced good and positive developments, but there is 1 sector, namely the corporate services sector, which has a negative sign and shows a decrease in activity from that sector.

Furthermore, the value of the rin ratio is the change in sector i economic activity in Riau Province. There are 12 sectors with a positive sign indicating that each sector is experiencing good and positive developments, but there are 4 sectors, namely the mining and quarrying sector; transportation and warehousing; company services, and other services with a negative sign.

The value of the ratio rn or changes in economic activity in Riau Province as a whole from 2016 to 2022. The calculation results show an rn value of 0.068, which means there has been an increase in economic activity in Riau Province by 6.8% in the current year 2022 using the 2016 base year.

2) Calculation of Shift Share Analysis

District economic conditions will be influenced by provincial, national, and global economic performance. Regional economic sectors are supporters of a region's economic growth. The growth of economic sectors is strongly influenced by the components of economic growth both sectorally and as a whole from the regions above it. In Shift-Share analysis, there are 3 components used, namely Provincial Share (Ps), Proportional Shift (P), and Differential Shift (Ds).

Table 3: Calculation of Provincial Share, Proportional Shift, and Differential Shift

Business Field	Provincial Share (Ps)	Proportional Shift (P)	Differential Shift (Ds)	Shift Economic Structure (Ps + P + Ds)
A. Agriculture, Forestry, and Fisheries	537.622,23	370.793,4	1.081.779,17	1.990.194,83
B. Mining and Quarrying	174.337,65	-379.181,88	283.365,85	78.521,62
C. Processing Industry	562.683,5	347.628,76	1.126.553,47	2.036.865,73
D. Procurement of Electricity and Gas	977,78	4.222,23	-1.350,37	3.849,64
E. Water Procurement, Waste Management, Waste and Recycling	975,32	511,87	688,01	2.175,2
F. Construction	230.867,34	-92.406,38	472.591,15	611.052,11
G. Wholesale and Retail Trade; Car and Motorcycle Repair	173.479,34	36.381,68	477.050,88	686.911,9
H. Transportation and Warehousing	20.441,83	-39.493,64	34.435,14	15.383,33
I. Provision of Accommodation and Food and Drink	14.243,36	-8.738,97	30.676,81	36.181,2
J. Information and Communication	12.909,84	41717	40.871,78	95.498,62
K. Financial Services and Insurance	16.911,1	20.005,39	4.241,95	41.158,44
L. Real Estate	22.912,57	13.387,8	32.505,89	68.806,26
M. Company Services	61,68	-185,35	110,58	-13,09
N. Government Administration, Defense, and Compulsory Social Security	32.973,17	-17.386,9	13.364,94	28.951,22
O. Educational Services	12.825,45	5.220,53	29.744,55	47.790,53
P. Health Services and Social Activities	3.465,66	12.998,89	5.709,79	22.174,34
Q. Other Services	12.954,05	-29.452,9	51.729,41	35.230,55
Total	1.830.641,87	286.021,53	3.684.069,00	5.800.732,43

Source: Processed Data, 2023

a. Provincial Share Component

The results of the Shift Share analysis presented in the table above on the Provincial Share (Ps) component, all sectors of the business fields of Indragiri Hulu Regency have a positive effect on contributing to the formation of Riau Province's GRDP. The calculation results describe the role of the Riau Province region which influences the economic growth of Indragiri Hulu Regency amounting to 1,830,641.87 million rupiahs. The sector that has the largest Provincial Share is the manufacturing sector with 562,683.5 or 30.74%. While the smallest is the corporate services sector at 61.68.

b. Proportional Shift Component

The next analysis is the Proportional Shift (P) analysis to find out which sectors of the GDP business field have fast or slow growth. Sectors that have a positive P value indicate that the growth of the same sector in the district area grows faster than in the province area. Conversely, if the sector has a negative P value, it means that the growth of the same sector is relatively slow when compared to the provincial economy. The Proportional Shift for Indragiri Hulu Regency during the 2016-2022 period has negative and positive values. Sectors with negative values are the mining and quarrying sector; construction sector; transportation and warehousing sector; accommodation and food supply sector; corporate service sector; government administration sector, defense and compulsory social security, and other service sectors. The sectors with negative values indicate that their growth is slower (lower) than the growth of the same sector at the Riau Province level. Meanwhile, sectors with positive values are agriculture, forestry, and fisheries; processing industry sector; electricity and gas procurement sector; sector of water supply, waste management, waste, and recycling; wholesale and retail trade sector, car and motorcycle repair; information and communication sector; financial services and insurance sector; real estate sector; the education services sector and the health services sector and social activities. The positive numbers in the ten sectors experienced faster (higher) growth compared to the growth of the same sector at the Riau Province level. Overall, the total proportional shift has a positive value of 286,021.53 million rupiah.

c. Differential Shift (Ds) Components

The Differential Shift component shows the competitiveness of each economic sector at the Indragiri Hulu Regency level against the economic sectors in Riau Province. If the Ds value > 0 or has a positive sign, the economic sector has good competitiveness against the regions above it, and vice versa if $Ds < 0$ or has a negative sign, it means that the sector does not have competitiveness against the regions above it. Based on the results of the Differential Shift calculation above, it can be seen that 16 sectors have a positive value, which means that these sectors have good competitiveness against the same sectors in Riau Province, and only one sector has a negative sign, namely the electricity and gas procurement sector, which indicates that the sector does not have competitiveness (does not have a competitive advantage) against the same sectors in Riau Province. This negative value sector is still possible to improve by comparing it to the provincial economic structure.

d. Shifts in Economic Structure

The number of shifts in the economic structure is obtained from the sum of the total Provincial Share, Proportional Shift, and Differential Shift. The results of the Shift Share analysis show that during 2016 – 2022 the sectoral GRDP value of Indragiri Hulu Regency has experienced a growth of 5,800,732.43 million rupiahs.

The sector that has the most dominant effect on growth is the manufacturing sector with 2,036,865.73 million rupiah and the agriculture, forestry, and fisheries sector with 1,990,194.83 million rupiah.

CONCLUSION

The conclusions of this study are as follows:

1. Positive growth in the Riau Province's economy has had a positive impact on the economic sectors in Indragiri Hulu Regency, while the sector that has had the greatest impact on Riau Province's economic growth is the manufacturing sector and the smallest is the corporate services sector.
2. The sectoral growth of Indragiri Hulu Regency is influenced by the growth of the same sector in Riau Province, where the growth that has a negative value is the mining and quarrying sector; construction sector; transportation and warehousing sector; the accommodation and food supply sector; corporate service sector; government administration sector, defense and compulsory social security and other service sectors. The slow sectoral growth at the provincial level has led to the slow growth of the same sectors in the Indragiri Hulu Regency.
3. In terms of competitiveness, 16 sectors have a positive value, which means that these sectors have good competitiveness against the same sector in Riau Province, and only one sector has a negative sign, namely the electricity and gas procurement sector, indicating that the sector has no competitiveness (does not have a competitive advantage) against the same sectors in Riau Province.
4. The sector that has the most dominant influence on the shift in the economic structure of Indragiri Hulu Regency is the manufacturing industry sector as big as the agriculture, forestry, and fisheries sectors

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