

**ANALYSIS OF THE RELATIONSHIP OF BASIC ECONOMIC
SECTORS ON THE ABSORPTION OF LABOR IN THE
DISTRICT WEST LOMBOK**

THESIS

**Submitted as One of the Requirements to Obtain a Bachelor of Economics
Degree**



Compiled by:

AGUNG TRISNA IRAWAN

22011010168/FEB/EP

**DEVELOPMENT ECONOMICS STUDY PROGRAM
FACULTY OF ECONOMICS AND BUSINESS
“VETERAN” NATIONAL DEVELOPMENT UNIVERSITY OF
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FOREWORD

The author expresses his deepest gratitude to God Almighty for His grace and guidance, so that the author can complete the thesis proposal entitled: **"ANALYSIS OF THE RELATIONSHIP BASIC ECONOMIC SECTOR TO LABOR ABSORPTION IN WEST LOMBOK REGENCY"**.

The purpose of writing this thesis proposal is to fulfill the requirements for achieving a Bachelor of Economics degree in the Development Economics Undergraduate Study Program at UPN Veteran East Java.

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ANALYSIS OF THE RELATIONSHIP BETWEEN BASIC ECONOMIC SECTORS AND LABOR ABSORPTION IN THE DISTRICT

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ABSTRACT

Economic growth that is not always followed by proportional labor absorption is a structural problem still faced by West Lombok Regency, as reflected in the Open Unemployment Rate which is consistently ranked second highest in West Nusa Tenggara Province during the 2020–2024 period. This study aims to identify basic economic sectors in West Lombok Regency and analyze the relationship between basic and non-basic sector GRDP and labor absorption for the 2013–2024 period. The study uses a descriptive quantitative approach with the Location Quotient (LQ), Shift Share, and simple linear regression analysis methods, which are processed through SPSS software using secondary data sourced from the Central Statistics Agency of West Lombok Regency and West Nusa Tenggara Province. The results of the LQ analysis identified 12 basic sectors with an average LQ value > 1 , where the Accommodation and Food and Beverage Provision sector recorded the highest LQ of 3.465, followed by Transportation and Warehousing at 1.660 and Construction at 1.341. Shift Share analysis shows that all sectors have a positive Proportional Shift value, reflecting faster growth than the provincial average, while the Transportation and Warehousing sector recorded the highest Differential Shift of 21.488. The results of the partial regression test show that the leading sector has a positive and significant effect on labor absorption $t \text{ count} = 3.957 > t \text{ table} = 1.833$; $\text{sig.} = 0.003$; $R^2 = 0.610$, as well as the non-leading sector with a stronger influence $t \text{ count} = 5.597$ $\text{sig.} = 0.000$; $R^2 = 0.758$. These findings indicate that strengthening the basic sector needs to be accompanied by improving the quality of human resources so that the conversion of economic growth into labor absorption can take place more optimally and inclusively in West Lombok Regency.

Keywords: Basic Sector, Location Quotient, Shift Share, Labor Absorption, GRDP, West Lombok Regency

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