Journal of Economics and Sustainable Development
ISSN 2222-1700 (Paper) ISSN 2222-2855 (Online)
Vol.5, No.28, 2014

Determination of Agricultural Sector and Subsector Potentially Leading and with Superior in District Hie Location Quotientmethod Static, Dynamic Input and Output Location Quotient

Tri Wahyuningsih [1] Hayati Hehamahua [1] A.Kadir.S, Sahupala [2]
1.Lecturer in Development Economics Studies Program, Iqra Buru University
2.Lecturer in Faculty of Agriculture, Iqra Buru University

Abstract
In an analysis of the general conditions in Buru and formulation of appropriate development strategy and focus, the main question that always comes up is what the main development potential possessed by Buru. This question is very important because the analysis of the general conditions of the area should be able to bring about the ultimate potential of the economic analysis of the sectoral areas. One way to see the main potential Buru from the standpoint of comparative advantage *(comparatif advantage)* of certain sectors and sub-sectors relative to other regions, then the coefficient location *(Location Quotient)* and *Input Output* used in this research. Economic sectors and sub-sectors of agriculture are categorized sector and sub-sector basis in Buru base is as construction, agriculture, manufacturing and mining and quarrying sector, livestock sector, subsector food crops, estate crops and forestry sub-sectors. Sectors and sub-sectors and still potentially superior seed in Buru were mining, manufacturing, and construction sectors, plantation crops, food crops subsector, and forestry sub-sectors. While the electricity sector, trade, transport and financial sectors, the fisheries sub-sector is a sector that has not been superior but still has the potential to excel in Buru. *Input-output* analysis concluded; building sector, the manufacturing sector, subsector of fisheries and forestry sub-sector is the sector / subsector that has a multiplier value of output and value in the highest income multiplier Buru, while the manufacturing sector is a sector that has a forward linkage value and high backward linkages. Sector / subsector that are likely prospective and have a guaranteed market is the mining sub-sector, a large retail trade subsector and sub-sectors of general government and defense. As for the agriculture sector is the food crops subsector, plantation crops, and forestry sub-sectors.
Keywords: *Location Quotient, input output,* sector / subsector basis, sector / subsector seed, sector / subsector potential

INTRODUCTION

Tendency of the world economy is increasingly leading to the globalization and liberalization of trade between countries, will inevitably affect the very existence of the local economy / region. This condition is slowly but surely going to bring the issue of global competition, not only to the level of the national economy, but also to the economic level of the region not only take into account the possibility of competition from other regions, but also must anticipate the possibility of threats from global competitors. Because of the uncertainty of the future that is necessary to develop planning to anticipate the possibility of a bad situation that may arise in the future following preventive measures and policies that need to be done previously.

Developing countries including Indonesia, it is still planning to have a very big role as a tool to encourage and control the development process faster and more focused. A regional development planning documents when good is concrete, clear and measurable determining factor. The nature of such planning is necessary in order to have drawn a clear indicator, sasarn and concrete targets, policies and bold easy dilaksanakn in practice (Sjafrizal.2014: 9). For this purpose, the necessary quantitative data analysis using mathematical methods or techniques and statistics that do not have to be too complicated, but enough is quite simple and easy to understand the public as a method *Static Location Qoutient* (SLQ), *Dynamic Location Quotient* (DLQ) and *Input Output* (IO) were performed in this study

THEORETICAL STUDY

Commodities

In contrast to the conventional approach of physical planning area has been more emphasis on population density, population size and structure of the city, the approach recently used popular prioritize concentration and komodiats seed production area. The approach of this research is to develop a region with a leading commodity basis, with the following criteria: (1) Must be able to be the prime mover *(prime mover)* economic development; In other words, the leading commodities can provide a significant contribution to the increase in production, income and expenditure; (2) Has the linkage to the front and to the back of a strong, good fellow leading commodities and other commodities; (3) Being able to compete with similar products from other regions

in the national market and international market, both in the product prices, production costs and service quality; (4) It has linkages with other regions, both in terms of the market (consumers) and the supply of raw materials. (5) Has the status of technology continues to increase, especially through technological innovation; (6) Able to absorb optimally qualified workforce in accordance with the scale of production; (7) Can withstand a certain role in the long term, starting from the phase of birth, growth, until saturation or decline phases. If a commodity that one enters the stage of saturation or decrease the other leading commodities should be able to replace it; (8) Not vulnerable to external shocks and internal; (9) The development will have to obtain various forms of support, such as security, social, cultural, information and market opportunities, institutional facilities, incentives / disincentives and others; (10) The development is oriented to the preservation of resources and the environment.

The rationale of this is the dominant sector *of economic base* theory (Arsyad.2005) that the point is: because the *basic industry* produces goods and services for the market in the area and outside the area in question, then sales exit the area will generate income for the area. The flow of revenues from outside the area caused a rise in consumption and investment in the area, and in turn will increase revenue and create new employment opportunities. The increase in revenue is not only to raise the demand for *basic industry,* but also raise permintaanakan *non-basic industry* (local). This increase in demand will push up investment in local industry to encourage investment *(induced)* as a result of the increase in *basic industry.*

As the implications of this theory, many designers economic regions / countries that suggest development strategy of export-oriented activities. With the export sector activities, the activities of the non-export sector will also be automatically increased to serve the activities and needs of the export sector, including those working needs of the export sector. Therefore, the export sector is often also referred to as a sector basis, whereas the non-export sector is called the non-base (Setiono.2011). Furthermore, this model adherents also believe that industrial export sector has a multiplier effect value of work *(job multiplier)* is larger than the non-export sector. In other words, each job created by the export sector or sectors of the base will be able to generate some other work non-export sector (non-base) in the local economy.

METHODS

Research and Data Source Type

This research is descriptive quantitative models apply *Location Quotient* (LQ) and *Input Output.* The type of the source data used in this study is secondary data collected from the Central Statistics Agency (BPS) BPS Maluku Province and Buru, which include: a). GDP data at constant prices in 2000 based on the field of business in Maluku Province in 2008 through 2012 b). GDP data at constant prices in 2000 based on the business sector Buru in 2008 through 2012 c). *Input Output* Table Maluku Province in 2007.

METHODS OF DATA ANALYSIS

Location Quotient (LQ)

One indicator that is able to describe the existence of the base sector is through LQ is a simple indicator that can indicate the strength or the size of the role of a sector in a region compared to the reference above or region. LQ technique to measure the concentration of an activity (industry) in a region by comparing its role in the regional economy with industrial activity or similar role in regional or national economy. LQ techniques can be divided into two, namely LQ Static *(Static Location Quotient, SLQ)* and LQ dynamic *(Dynamic Location Quotient, DLQ).* Formula used to calculate the SLQ is as follows (Widodo.2006: 117-118).

$$SLQij = \frac{Vij / Vj}{Vin / Vn}$$

Specification:
Vij = GDP sector i region j
Vj = total regional GDP j
Vin = GDP sector i National
Vn = the total GDP of the National

The formula for calculating the DLQ are:

$$DLQij = \left[\frac{(1 + gij) / (1 + gj)}{(1 + Gi) / (1 + G)} \right]^{t}$$

Specification:
Gij = rate of growth of sector i region j
Gij = rate of growth of sector i National

gi = average economic growth rate of area j
Gij = average economic growth rate of National
Based on the calculation, if a sector that has a number of LQ> 1 then the sector is a sector basis the strength of the region to export their products outside the region concerned.Conversely, if the LQ <1, then the sector is a net importer. Whereas if LQ = 1, then there is a tendency to be closed because the sector does not perform transactions to and from outside the region.

Analysis Input Output (I-O)
Table IO analysis is a method used to measure systematically the interrelationships between sectors in the economic system. According to Chenery-Watanabe (1958) the linkages between sectors is divided into two parts, namely the backward linkages and forward linkages. Size backward linkages can be seen from the demand side *(demand-driven)* and forward linkages in terms of demand *(supply-driven)* for local development planning (Daryanto and Hafizrianda, 2010: 12).

In an input-output table consists of four quadrants that quadrant I, quadrant II, quadrant III and IV quadrant. Quadrant I consists of transactions between sectors, the flow of goods or services produced by a sector to be used by other sectors. Quadrant II is composed of final demand, goods and services by the public for consumption or investment. Quadrant III is the primary input, which contained all the necessary resources and funding to produce products that are outside the category of intermediate inputs. The results showed the use of primary inputs or value added, of the total amount will result in Gross Regional Domestic Product (GDP). While quadrant IV shows that remuneration has been received and distributed to the primary inputs of final demand. In general quadrant IV is not needed in the analysis of IO (Tarigan, 2010: 105-106). In the first quadrant matrix is endogenous, whereas in quadrant II, III and IV are exogenous which can be seen as an overview in Table 1.

Table 1 Basic Framework for Input-Output

	Allocation of Output						Total Provision	
Source Input	Between Perminataan					Final Demand	Import	Total Output
a. Between Input	Production Sector					**Quadrant II**		
	Quadrant I							
Sector 1	X11	...	X1j	...	X1m	F1	M1	X1
Sector 2	X21	...	X2j	...	X2m	F2	M2	X2
...	...	...	...	...	...	...	...	...
Sector i	Xii	...	Xij	...	Xm	Fi	Mi	Xi
...		...	...	...	...	...	...	...
N Sector	Xni	...	Xnj	...	Xnm	Fn	Mn	Xn
Quadrant III						**Quadrant IV**		
b. Primary Input	VI	...	Vj	...	Vm			
Number of Inputs	XI	...	Xj	...	Xm			

Source: Tarigan, 2005: 105

In quadrant I have a dual nature when viewed in line. Overall for the first quadrant can be formulated in an equation as follows:

$$\hat{a}'X_{ij} + F_i = X_i + M_i, \text{ for } i \text{ from 1 to n}$$

Whereas if when viewed in the column will be visible input consisting of primary inputs and intermediate inputs required to produce the output sector. Equation can be formulated as follows:

$$\hat{a}'X_{ij} + V_j = X_j, \text{ for } j \text{ from 1 to M}$$

For the second quadrant is quadrant final demand consists of variable household consumption expenditure, government expenditure, capital and capital stock changes and exports. While in quadrant III is the primary input quadrant consists of variable wages / salaries, operating surplus, depreciation, and indirect taxes (Daryanto and Hafizrianda, 2010: 6-10).
Input coefficient matrix is a matrix that lists the input coefficients without entering the primary inputs to the formula:

$$\hat{a} \pm_{ij} = X_{ij} / X_j$$

Where:
$\hat{a} \pm_{ij}$ = j sector input coefficient of sector i
X_{ij} = j sectors use inputs from sector i
X_j = output of sector j

Leontif inverse matrix is the matrix multiplier which determines the magnitude of changes in production quantities and can be calculated by the formula:

(IA) X = Y
X = Y / (IA)
X = (IA) $^{-1}$ Y
X = Ma Y

Where:
X = the column vector of total output
Y = vector of final demand column
I = identity matrix of size n sectors
A = matrix of input coefficient matrix technology or
(1-1) $^{-1}$ = Inverse the result of a reduction in the identity matrix (I) with the technology matrix (A)

In this study also perform linkage analysis. Direct linkage to the front *(Forward Linkage Direct Effect)* indicates the number of the output of a sector that has been used by other sectors that can be calculated with the formula:

FL $^{c}_{j}$ = â $^{'n}_{(j = 1)}$ X $_{ij}$ / X $_{j}$ = â' $^{n}_{(j = 1)}$ b $_{ij}$

Forward linkage value is denoted by FL $^{c}_{j}$ is the result showing the effect of a sector to sector as a provider of production-level inputs for the sector directly and can be calculated by the following formula:

BL $^{c}_{j}$ = â $^{'n}_{(i = 1)}$ X $_{ij}$ / X $_{i}$ = â' $^{n}_{(i = 1)}$ â ± $_{ij}$

Value directly to the rear linkage is denoted by BL $^{c}_{j}$ which is the sum of the columns in the matrix are denoted by â technologies ± $_{ij.}$ Analysis of indirect forward linkage indicates the role of the sector in meeting the demands of all sectors of the economy so that the calculation of the impact of indirect linkages to the front can be calculated by the formula:

FL $_{i}$ = â $^{'n}_{(i = 1)}$ g $_{ij}$

Value of direct and indirect linkages to the front is the sum of the columns in the matrix inverse leontif denoted by g $_{ij}$

Backward linkage analysis does not directly indicate the indirect effect that occurs on the increase in the final demand of the sector which can increase the overall output in the economy sector with the following formula:

BL $_{i}$ = â $^{'n}_{(j = 1)}$ g $_{ij}$

Where g $_{ij}$ is the matrix of components of matrix B Leontif or (IA) $^{-1.}$

Multiplier analysis *(Impact Multiplier)* shows a measurement of the magnitude of the impact on economic stimulation effect can be calculated through multiplier multiplier of type I and type II. Of type I-O multiplier type I can see the changes are not directly using the inverse matrix (IA) $^{-1}$ based on I-O tables open. While the Type II multiplier occurs because of changes indirectly by using the inverse matrix (IA) $^{-1}$ based on Table I-O closed. Of the I-O model type can be known to impact multiple views of the variable total output and income.

RESULTS AND DISCUSSION

Coefficient Analysis Location *(Location Quotient, LQ)*

Clearly reflected in Table 2 that in a sequence, where the building sector, the agricultural sector, and the manufacturing sector is very strong and become a sector basis in 2008 through 2010 because the average has SLQ index greater than 1, but the In 2011 through 2012 sector base in Buru shifting and mining and quarrying sectors classified as base and also has shifted the agricultural sector before the second comes out, replaced by the mining and quarrying sector. Thus on average, the sector is a sector basis and the strength of the region to export its products to other regions are sequentially Buru as construction, manufacturing, agriculture and mining and quarrying. As for the agricultural seubsektor there is only one sub-sector of the agricultural sector base dikategorokan as compared to other agricultural sub-sectors, namely fisheries subsector. Thus, on average, the food crops subsector, plantation crops, livestock sector and the forestry sub-sector is a subsector of the strength of the region to export its products to other regions.

Table 2 *Static* Calculation Summary hasill *Location Quotioent* and *Dynamic Location Quotient* (DLQ) between Agricultural Economic Sector and Subsector

Static Location Quotient (SLQ)							*Dynamic Location Quotient (DLQ)*				
Sector	**2008**	**2009**	**2010**	**2011**	**2012**	**Average**	**2009**	**2010**	**2011**	**2012**	**Average**
1	1.56	1.56	1.54	1.53	1.49	1.53	0.13	0.23	0.08	0.06	0.13
2	0.56	0.59	0.59	1.81	1.85	1.08	0.65	2.34	71.31	3.78	19.52
3	1.31	1.30	1.36	1.41	1.36	1.35	0.08	346.55	0.37	0.11	86.78
4	0.71	0.84	0.75	0.77	0.79	0.77	0.00	0.01	0.25	4.47	1.18
5	2.58	2.59	2.57	2.49	2.53	2.55	0.15	1.61	0.03	2.64	1.11
6	0.71	0.72	0.72	0.71	0.75	0.72	0.25	0.67	0.04	7.08	2.01
7	0.53	0.34	0.34	0.34	0.34	0.38	0.02	1.42	0.04	7.09	2.14
8	0.57	0.57	0.59	0.58	0.62	0.59	0.12	6.29	0.09	13.77	5.07
9	0.77	0.77	0.76	0.77	0.79	0.77	0.16	0.47	0.17	2.69	0.87
Subsector Agriculture	**2008**	**2009**	**2010**	**2011**	**2012**	**Average**	**2009**	**2010**	**2011**	**2012**	**Average**
1	3.05	3.11	3.17	3.11	2.96	3.08	12.30	2.55	0.33	7,9E-	3.79
2	2.43	2.43	2.50	2.50	2.60	2.49	1.36	16.67	6.42	3,2E	14.06
3	3.64	3.59	3.63	3.59	3.64	3.62	0.40	1.31	0.18	1,9E	0.94
4	1.68	1.69	1.65	1.62	1.69	1.67	0.72	3.60	1.28	2,4E	7.37
5	0.18	0.18	0.18	0.17	0.18	0.18	0.14	1.11	8.83	4,4E-	2.63

Source: Results of the data if the secondary

Description: Economic Sector; (1) Agriculture, (2) Mining and Quarrying, (3) processing industry, (4) Electricity, Gas and Water, (5) Building / Construction (6) Trade, Hotels and Restaurants, (7) Transport and Communication Sector (8) Finance, Real Estate and Business Services (9) Offices. Agricultural sub-sector; (1) Plant foods, (2) Plantation crops, (3) Animal Husbandry, (4) Forestry, (5) Fisheries.

Taken as an average, non-base sectors are the most vulnerable sectors of electricity, gas and water supply and services sector. While the agricultural sub-sector is forestry subsector. Based on the analysis of SLQ, it turns Buru structural shifts have not led to a shift in the structure of economic activities of the primary sector towards modern (secondary sector and sector terseier). This indication is clearly visible in Buru that the secondary and tertiary sectors have not had a relatively good potential to be developed in the future because, as the analysis of SLQ, for the secondary sector is the only sector of the building sector in Buru base and structural shifts occur only between the primary sector alone. In fact, one of the characteristics of the economic progress indicator is the shift structure of economic activities towards the modern sector, in this case the secondary sector and the tertiary sector.

Table 3 Sectoral Classification and Comparative Analysis Subsektoral Upper Elementary

Criteria	**DLQI <1**	**DLQI> 1**
SLQi <1	• Sector Offices	• Electricity Sector • Trade Sector • Transportation Sector • Financial Sector • Fisheries Subsector
SLQi> 1	• Agricultural Sector • Livestock Subsector	• Mining Sector • Manufacturing Sector • Building Sector • Plantation Crops Subsector • Food Crop Subsector • Subs ector Forestry

Source: Table 2 Results of data processing

From the analysis in Buru DLQ on average from 2009 through 2012 found that the processing industry sector and mining and quarrying, and plantation crops have DLQ high value, followed by other sectors and sub-sectors such as the financial sector, the transport sector, trade sector, power sector, construction sector, the forestry sub-sector, food crops subsector and fisheries sub-sectors. It shows that the sectors and sub-sectors have potential for more rapid growth than the services sector, agriculture and livestock sub-sectors other areas in the province of Maluku. Sectors and sub-sectors are expected to be superior to the agricultural sector and sub-sector in the future competition. This is shown by the average value of the coefficient of sectors and subsectors DLQ is greater than 1 Overall, all sectors in Buru DLQ value fluctuated from 2009 through 2012, except for electricity, gas and water supply which indicates trend of increase and food crops subsector which showed a decreasing trend every year.

Sector / subsector in Buru Kabupten can be classified into four categories as can be seen in the table on the basis of the sectoral classification of comparative analysis. From Table 3 shows that the mining, manufacturing, and construction sectors, plantation crops, food crops subsector, and forestry sub-sector is the sector and subsector superior to Buru and still has the potential to excel. For the electricity sector, trade, transport and financial sectors, the fisheries sub-sector is a sector that has not been superior but still potentially superior to the times ahead in Buru. For agriculture and livestock sub-sector, sector and sub-sector is the seed that no longer has the potential to excel in Buru. Lastly, the services sector is a sector that has not yet potentially superior and also superior also in Buru.

Impact Income Multiplier

Change (increase) the demand for a sector will also increase incomes. The magnitude of this increase can be seen doubling of income multiplier. Household income multiplier of a sector shows the total amount of household income that is created by the addition of one unit of money demand the end of the sector. Household income multiplier is interpreted as an increase in final demand in the form of household income.

From the analysis of the income multiplier I-O open type, it is known that the value of the highest income multiplier of all sectors and sub-sectors Buru's largest economy is building sector amounted to 3.3647 and followed by the Manufacturing sector amounted to 2.4209. This means that every increase of U$D 1, - Building sector final demand and Processing Industry sector will lead to an increase in household income in the economy amounted to U$D 3.36 million and U$D 2.42 million. For the agricultural sector, sub-sector which has a multiplier effect is the highest revenue fisheries subsector amounted to 1.3509, then followed by the forestry sub-sector amounted to 1.2736. That is, every increase of U$D 1, - fisheries disubsektor final demand will cause an increase in the income of fishermen in Buru U$D 1.35 million and for the farmers who work the forestry sub-sector amounted to U$D 1.27 million.

Impact Multiplier Output

Table 4 Impact Coefficient Multiplier Output, Income Multiplier Impact, Forward Linkages and Backward Linkage in Buru in 2012

No.	Sector / subsector	Output Multiplier				Multiplier Revenue		*Backward Linkages*	*Forward Linkages*
		Direct Impact	Indirect Impact	*Simple Output Multiplier*	Ranking	Type I	Ranking	Index	Index
1.	Plant Food	0.0569	0.0165	1.0734	26	1.0851	26	0.79550	1.00097
2.	Plantation Crops	0.1281	0.0626	1.1907	19	1.1510	19	0.88244	0.94746
3.	Livestock and Results-The results	0.1285	0.0585	1.1870	21	1.1225	22	0.87966	0.80448
4.	Forestry	0.1492	0.0914	1.2405	18	1.2736	14	0.91934	1.53533
5.	Fisheries	0.2238	0.1297	1.3535	12	1.3509	10	1.00307	0.87214
6.	Mining	0.0000	0.0000	1.0000	27	0.0000	27	0.74109	0.74278
7.	Excavation	0.1643	0.1053	1.2696	17	1.1367	21	0.94088	0.80408
8.	Processing Industry	0.6229	0.2533	1.8762	2	2.4209	2	1.39046	3.32008
9.	Electricity	0.3334	0.2140	1.5474	5	1.4623	7	1.14678	0.82060
10.	Clean Water	0.2237	0.1585	1.3822	10	1.3467	11	1.02431	0.75194
11.	Building	0.6898	0.4531	2.1428	1	3.3647	1	1.58804	0.98959
12.	Wholesale Retail	0.1958	0.1191	1.3149	15	1.2035	17	0.97442	2.25759
13.	Hotel	0.2552	0.1061	1.3612	11	1.3694	9	1.00878	0.79624
14.	Restaurant	0.3265	0.2170	1.5436	7	1.5174	6	1.14392	0.88109
15.	Road Transport	0.2472	0.1417	1.3889	9	1.3101	13	1.02927	0.88793
16.	Water transport	0.3956	0.2411	1.6367	3	1.6868	4	1.21295	0.90642
17.	Air Transport	0.3540	0.1916	1.5456	6	1.5236	5	1.14540	0.89799
18.	Transportation Support Services	0.2181	0.1324	1.3505	13	1.2344	16	1.00086	0.77901
19.	Communication	0.1275	0.0602	1.1877	20	1.1870	18	0.88019	0.85008
20.	Bank	0.1079	0.0512	1.1590	23	1.1141	23	0.85896	0.79552
21.	Non Bank Financial Institutions	0.1924	0.0786	1.2710	16	1.2416	15	0.94189	0.78535
22.	Lease Building	0.2137	0.1809	1.3946	8	1.9431	3	1.03353	0.80816
23.	Services Company	0.2054	0.1267	1.3322	14	1.3766	8	0.98724	0.78471
24.	Public Administration & Defense	0.1107	0.0673	1.1780	22	1.0901	25	0.87301	0.88332
25.	Community Social Services	0.3537	0.2178	1.5715	4	1.3250	12	1.16465	0.83410
26.	Entertainment & Recreation	0.0939	0.0474	1.1413	25	1.1063	24	0.84582	0.77545
27.	Individuals and Households	0.1006	0.0415	1.1422	24	1.1438	20	0.84645	0.74648
28.	Others are not clear exhaustible	0.0000	0.0000	1.0000	27	0.0000	27	0.74109	0.74109

Source: Buru Input Output Table 2012 (processed)

An increase in final demand *(final demand)* in a sector and sub-sector will increase the *output* itself and

other sectors and sub-sectors in the economy. Increased output of other sectors and sub-sectors are created due to the effects of direct and indirect effects (technical relationship between the sectors and sub-sectors) of the increase in final demand. The magnitude of change in regional *output* multiplier due to changes in the final demand of a sector known as the multiplier *output.* Multiplier *outputs* (one sector / subsector) is the total value of *output* produced by the economy to meet (or due to) a change in one unit of final demand money sectors / sub-sectors. Impact *output* multiplier used to calculate the value of production of all sectors and sub-sectors are required to meet the demand value of *outpu* t a sector / subsector.

Figures largest *output multiplier* is 2.1428 for the building sector. This means that if there is an increase of U$D 1, - final demand in the building sector, it will increase the amount *of output* across the economy at U$D 2.14 million due to an increase in the final demand. Table 4 shows the direct impact of the building sector is at 0.6898. This figure can be interpreted, if the final demand of the building sector increased 1 billion dollars (one billion dollars converted to numbers), whether it be through local government spending or exports, the direct effect on the total output of the economy Buru was U$D 689 million. Furthermore, for the manufacturing sector the coefficient is equal to 0.6229, which indicates if the manufacturing sector final demand rose by an estimated 1 billion dollars to give effect to the increase in economic output Buru as much as U$D 623 million.

If we focus attention on the impact of the agricultural sub-sector alone, it was obvious that most multiple large effect on the total economy in 2012 Buru is the fisheries subsector. Influence exerted by the fisheries sub-sector when demand eventually rose 1 billion rupiah is U$D 224 million, the highest of all agricultural subsectors as well when compared to most sectors / sub-sectors other. After the fisheries sector, the biggest impact next multiple sequence are forestry sub-sector, livestock sector, plantation crops, and food crops subsector. The fourth sub-sector can give the effect of the increase in the total output of the economy Buru ranging from U$D 56 million to U$D 150 million. Described the overall average impact of multiple sub-sectors of agriculture to the economy relatih Buru still low compared with the sector / subsector other.

If listening on an indirect impact, it appears that the overall construction sector for the economy remained high Buru. Neither the invitation that looks at the sub-sector of agriculture, fisheries subsector has a coefficient value remains high. Large coefficient for the indirect fisheries subsector amounted to 0.1297, which indicates if the fisheries sub-sector final demand increased as much as 1 billion dollars will bring indirect influence on the increase in economic output Buru as much as U$D 129 million.

Value Forward Linkages and Backward Linkages

From Table 4 it can dikatahui that is based on the future value of the relationship in a row, the manufacturing sector (4.480002), a large retail trade subsector (3.046323) and the forestry sub-sector (2.071729) has the most backward linkages rate higher than the and other sectors in the economy subektor Buru. With these results we can say that if there is an increase of U$D 1, - final demand sector manufacturing, retail trade subsector large and forestry sub-sector will result in increased output of U$D 4.48 million for the manufacturing sector, U$D 3.04 million for trade subsector large retail, and U$D 2.07 million for the forestry sub-sector. Sectors / sub-sectors that have a high forward linkages means the area is a potential output for sectors / sub-sectors.

While the value of backward linkages between sectors and sub-sectors in the Buru is the largest construction sector amounted to 1.58804, 1.39046 and processing industries for water transport subsector amounted to 1.22309. That is, an increase in output of U$D 1, - the building sector, the manufacturing sector and sub-sector water transport will increase the economic output of each sector and sub-sector either directly or indirectly by U$D 1.58 million to U$D 1.39 million and U$D 1.22 million. This shows that the sector / subsector that has a large backward linkages is a potential input providers for the sector that has the potential of generating high production outputs and sector / sub-sector can be used as seed sector or mainstay in Buru.

Table 5 Linkage Between Sector / Subsector

		Forward	
		Low	High
Backward	High	1. Livestock subsector 2. Fisheries subsector 3. Quarrying subsector 4. Electricity subsector 5. Clean water subsector 6. Buildings subsector 7. Subsector Hotel 8. Subsector Restaurant 9. Road transport subsector 10. Water Transportation subsector 11. Air Transportation Subsector 12. Supporting services sub-sector transport 13. Communication sub-sector 14. Banking subsector 15. Sub-sector financial institutions without a bank 16. Rent subsector building 17. Sub-sector companies 18. Social Services subsector kemasyarakat 19. Entertainment and recreation subsector 20. Individual and household subsector	1 The manufacturing sector
	Low	1 other subsector is not clearly defined	1. Food crops subsector 2. Plantation crops 3. Forestry sub-sector 4. Mining subsector 5. Large retail trade subsector 6. Subsector of general government and defense

Source: Table 4 Results of data processing

Based on the matrix of Table 5, it appears that many of the sector / subsector that as many as twenty-sectors / sub-sectors that tend to be at higher risk because they have a limited market.While the manufacturing sector is a sector that tends to occur because the conglomerate has a forward linkage value and high backward linkages. This means that the manufacturing sector produces output that is needed by the sector / subsector another. This sector is able to encourage the growth of the local economy through linkages with sectors / sub-sectors other. A total of 20 sectors / sub-sectors that have backward linkages are relatively high but relatively low forward linkages, including the livestock sector and the fisheries subsector. This means that the sector / subsector that uses its output as input while the output relatively many sectors / sub-sectors are used as inputs to other sectors in the District of Buru. Output of the 20th sector is relatively widely sold to other regions.

Sectors that tend to prospective and has secured its market largely derived from agriculture sub-sectors except mining, large retail trade sub-sector, sub-sector and public administration and defense.The agriculture sector is the food crops subsector, plantation crops, and forestry sub-sectors. Then subsector is not a market for *the output* as well as providers of *inputs* on Buru are other sub-sectors that are not clearly defined. The low katerkaitan backward or forward linkages does not mean that the sector is not good, but rather show low use of the output of the sector / subsector Buru or the other in the use of inputs from sector / subsector other in Buru. The possibility of the sector using inputs from other regions or other regions to sell output.

CONCLUSION AND RECOMMENDATIONS

Conclusion

1 Analysis of *static location quotient* produce the building sector, agriculture, manufacturing and mining and quarrying sector as a sector basis in Buru, while the agriculture sector in the base sub-sectors that have category Buru is the livestock sector, subsector food crops, estate crops, and forestry sub-sectors.

2 The results of the analysis of *Dynamic Location Quotient* from 2008 through 2012 resulted in a different conclusion with SLQ. Sectors and sub-sectors and still potentially superior seed in Buru were mining, manufacturing, and construction sectors, plantation crops, food crops subsector, and forestry sub-sectors. While the electricity sector, trade, transport and financial sectors, the fisheries sub-sector is a sector

that has not been superior but still potentially superior to the times ahead in Buru.

3. Building sector and the manufacturing sector are the sectors that have the highest values in the output multiplier Buru, while for the agriculture sector, the impact of income multipliers and output multipliers are highest sub-sector fishery and forestry sub-sectors.

4 The manufacturing sector is a sector that tends to happen because they have unique conglomeration forward linkages and backward linkages are high. This means that the manufacturing sector produces output that is needed by the sector / subsector another. This sector is able to encourage the growth of the local economy through linkages with sectors / sub-sectors other. Sector / subsector that are likely prospective and have a guaranteed market is the mining sub-sector, a large retail trade subsector and sub-sectors of general government and defense. As for the agriculture sector is the food crops subsector, plantation crops, and forestry sub-sectors.

Suggestion

1 The creation of investment opportunities can be done by empowering potential of the agricultural sector and sub-sector owned Buru seed because seed industry is a major driver in the development area and the presence of sector / industry flagship allow industrial concentrations which would accelerate economic growth, because the concentration of the industry will create different consumption patterns between regions so that development of the industrial sector in the region will affect the development of other areas.

3 Sector / sebsektor that have been identified to have great potential in supporting regional economic growth and sector / subsector that can encourage the growth of the sector / subsector another quickly, it is expected to provide better guidance to the development actors, both dikalanngan government, private and community as a whole so that in the long run will materialize integrated development processes, work together, and mutually support each other.

REFERENCES

Arsyad, Lincolin.2005. *Introductory Local Economic Development Planning* . BPFE. Yogyakarta.

Central Bureau of Statistics in 2008. *Framework for Theory and Analysis of Input Output Table* . Jakarta.

---------- 2012. *Gross Regional Domestic Product* . Ambon.

---------- 2008. *Input-Output Maluku Province in 2007* . Cooperation BPS BAPPEDA Maluku and Maluku Province. Ambon.

Central Bureau of Statistics. In 2012. *Revenue Regional District of Buru* . Namlea.

Daryanto, Arief and Yundi Hafizrianda. In 2010. *Quantitative Models for Planning Local Economic Development* : Concepts and Applications. IPB Press. Bogor.

----------. In 2012. *analysis Input-Output and Social Accounting Matrix for Regional Economic Development* . IPB Press. Bogor.

Kuncoro, Mudrajat. In 2004. *Autonomy and Regional Development; Reform, Planning, Strategies, and Opportunities* . Erland. Jakarta.

Setiono, Deni NS. In 2011. *Economic Development Area, Theory and Analysis. Faculty of Economics, University of Indonesia* . Jakarta.

Sjafrizal.2014. *Development Planning in the Era of Regional Autonomy* . PT. RajaGrafindo. Jakarta.

Tarin, Robinson. In 2010. *Economic Regional, Theory and Applications, Revised Edition* . Jakarta. PT. Earth Literacy.

Tri Widodo. In 2006. *Development Planning: Computer Applications (regional autonomy)* . UPP STIM YKPN. Yogyakarta.

The IISTE is a pioneer in the Open-Access hosting service and academic event management. The aim of the firm is Accelerating Global Knowledge Sharing.

More information about the firm can be found on the homepage:
http://www.iiste.org

CALL FOR JOURNAL PAPERS

There are more than 30 peer-reviewed academic journals hosted under the hosting platform.

Prospective authors of journals can find the submission instruction on the following page: http://www.iiste.org/journals/ All the journals articles are available online to the readers all over the world without financial, legal, or technical barriers other than those inseparable from gaining access to the internet itself. Paper version of the journals is also available upon request of readers and authors.

MORE RESOURCES

Book publication information: http://www.iiste.org/book/

Academic conference: http://www.iiste.org/conference/upcoming-conferences-call-for-paper/

IISTE Knowledge Sharing Partners

EBSCO, Index Copernicus, Ulrich's Periodicals Directory, JournalTOCS, PKP Open Archives Harvester, Bielefeld Academic Search Engine, Elektronische Zeitschriftenbibliothek EZB, Open J-Gate, OCLC WorldCat, Universe Digtial Library , NewJour, Google Scholar