

ABSTRACT

The Influence of Economic Structure Changes toward Sectoral and Regional Specializations and Structure of Labor Absorption in East Java Province

Economic Structure changes in East Java Province has had an impact on the sectoral contribution. The contribution of added value to the Gross Regional Domestic Product from primary, secondary and tertiary sector have had change. The contribution from the primary sector has decreased very slowly, followed the tertiary sector which increased gradually, and contribution of it from the secondary sector has been relatively constant.

The changes of economic structure have affected. sectoral specialization and regional specialization. Locatient Quetient measurement has showed that in cities areas the basis sector is trade, hotel & restaurant and services sector and in kabupatens areas is agriculture sector. Using Wilkinson Index for the specialization function of sectoral activities in East Java Province has showed that for cities areas the dominated sector are industries, trade, hotel & restaurant and services, otherwise for kabupatens areas is agriculture, trade and services are dominant. For Regional Speciazation by using Regional Specialization Index the study found that cities and kabupatens in East Java are not become more specialization or in other word still relatively constant.

The quantitave result based on the Structural Equation Model, it proofed that the influence of economic structure changes had an effect on the sectoral and regional specialization and also sructure of labor absorption in East Java Province. An increase on the economic activities, especially on industrial sector, trade, services, hotel and restaurant mostly used capital intensive rather than labor intensive, it makes the labor absorption are not large enough. To solved this problem, the non basic sector in the cities and kabupatens which have low growth and small of economic added value contribution should get the priority on their development .

Keywords: changes of Economic structure, added value contribution, absorption of labor, sectoral specialization, regional specialization and structural unemployment.