

The Policy of Regional Economic Development Acceleration on Sulawesi Island

Nandang Najmulmunir¹

¹Faculty of Agriculture, "45" Islamic University (UNISMA)
Jl Cut Mutiah No. 83 Bekasi 17117, Bekasi, West Java

Keywords: Regional economic corridor, acceleration of regional growth, economic driver sectors

Abstract: Abundant of Natural resources, geographical position, number of population and infrastructure are the important factors in comparative advantage, especially for supporting the acceleration of economic growth policies that are focused in six regional economic corridors. Economics corridors approach is expected to spill over impacts to encourage more rapid growth in surrounding areas and ensure the realization of continuing development. The sectors that act as an economic driver need to be clearly identified for each province in order to accelerate the development of Sulawesi. Model used to analyzed the regional data is the analysis of Location Quotient (LQ), LQ Trend and Regional Concentration Coefficient. Each province in Sulawesi Island has a regional economic driving sector according to its potential.

1 INTRODUCTION

1.1 Background

The Policy of Indonesian economic development acceleration is called Master Plan of Acceleration and Expansion of Indonesian Economic Development (MPAIED) 2011-2025. It was launched by President of Republic Indonesia On May 27th 2011. (Situmorang, 2011).

The Master plan includes 22 major Indonesian economic activities and is an adaptation and integration of National Long Term Development Plan (LTDP) 2002-2025. It serves as the blue print or framework to accelerate and expand the economies, and reduce the rate of poverty in the respective region. In this paper, the region that will be analyzed further is the fourth economic corridors, it was Sulawesi island. (<http://www.kemendag.go.id/files/pdf/2012/12/06/master-plan-2011-2025-id0-1354731495.pdf>.)

The master plan divide Indonesia into six economic corridors namely 1) eastern of Sumatra corridor, 2) Northern of West Java, the north coast of Java, 3) Kalimantan, 4) Sulawesi, 5) Papua and 6) Eastern of Java-Bali-Nusa Tenggara. Each corridor will be connected by the transportation system, logistics and economic development of region-based (Situmorang, 2011)

Further Situmorang, (2011) stated that the National Area Spatial Plan (NASP) has indicated that six economic corridors were a region which has advantages in terms of availability of infrastructure is relatively good even very good, and the existence of the economic process of commodities production/superior sectors which high competitiveness.

Minister of Planning / Head of Bappenas has described the preparation of the master plan strategy which includes three main elements, namely: (a) developing six Indonesia economic corridors byconstruct growth centers in each corridor with developing industrial clusters and special economic zones superior resource-based (commodities), (b) strengthen national connectivity, including intra connectivity and inter growth center in economic corridor, inter economic corridor (*inter island*), and international (trade doors and tourists), (c) accelerate the ability of national science and technology to support the development of the main program. (<https://www.bappenas.go.id/files/rpjmn/RPJM202010-2014.pdf>)

Kamarzuki, (2011) stated that the developing economic corridor approach was expected to make an impact *spill over* to drive the surrounding area growth faster and ensure the existing of the continuation development. One of the six corridors is Sulawesi Island, which is expected to be the forefront of the national economy of the East Asian

market, Australia, Oceania and North and South America.

1.2 The Purposes of Research

The Policy of Economic Development Corridor aims to accelerate and expand economic development. But the national economic face the problem difference of area economic growth. Then the problems in this study, is "what are the sectors that acts as a prime mover of the economy in order to accelerate the development of Sulawesi"?

This study aims to 1) Identify the prime mover sectors that act as the main mover to accelerate regional economic development of Sulawesi Island corridors, 2) To determine the development and sustainability of the sector based 3) To be able to determine the coefficient sectors concentration and the excellence of areas and the base region.

2 THEORY

According to Hecksher and Ohlin there is a difference in the opportunity cost of a country depending on the difference in the number of production factors it has (Nopirin, 1999). Furthermore, it was stated that there were differences in the proportion and intensity of factors due to differences in gifts, in the form of differences in the abundance of natural resources (endowment factors). That difference encourages the exchange of goods and services between countries.

In general, international trade arises mainly due to relative price differences between countries. The difference comes from production costs. While the difference in production costs is caused by differences in God's gift of production factors. Besides that there are other differences, namely the level of technology that determines the intensity of production factors, differences in efficiency in using factors of production, and foreign exchange rates (Nopirin, 1999).

Abundant natural resources play an important role in economic development, but to combine into competitive goods and services and to transform the economic structure is very dependent on human capacity, in line with that Yameogo *et al.* (2014) said that natural resource, especially oil endowment may affect negatively the process of more complex of countries productive structures. A huge endowment of oil may negatively impact the productive structure of a nation through its industry and manufacturing.

Transformation of the economic structure is an indicator of regional development and growth. Economic transformation adopts Fisher and Clark's theory which links with changes in three main sectors, namely primary, secondary and tertiary. The development is characterized by the use of resources and its benefits, namely the decline in the proportion of the primary sector, the increase in the proportion in the secondary sector and the proportion of the tertiary sector (Nugroho and Dahuri, 2004).

The development of human resources capacity is part of the responsibility of the regional government, including having an important role in economic development, through four important roles of local government, namely 1) as an entrepreneur, the regional government can develop its own business through the utilization of its assets to economically benefit, 2) as coordinator the regional government can play a role in the establishment of policies and strategic planning for regional development, 3) as facilitators, the regional government can play a role in accelerating regional development through improving the attitudinal environment (behavior and culture) in the region and 4) as a stimulator, it plays a role to stimulate business creation and development through specific actions that affect companies entering to the area concerned (Arsyad, 1999).

According to Hoover and Giarratani (1985) the development of a region can be seen in the following parameters: 1) Growth in population, 2) Increased income per capita and 3) Changes in economic structure. While according to Nasution (1990) measures the development of a region can be seen from the following benchmarks: 1) economic growth, 2) income distribution, 3) poverty, 4) unemployment, 5) environmental quality and natural resource productivity. Trade in the form of exports will have an impact on regional development. Base economic theory states that the main determinants of economic growth in a region are directly related to the demand for goods and services from outside the region (Arsyad, 1999). The policy related to this theory is the reduction of barriers to export-oriented companies. The income is in line with Hoover and Giarratani (1985) the development of a region will be influenced by external factors, namely 1) the demand for regional output from outside the region, and 2) Decision making related to the location of the supply of inputs for production activities in the region, and 3) trade between regions.

Economic development of the region is divided directly related to locational factors and not directly related to non locational factors. The location factor

has a direct effect on the aspect of inertia and is related to the minimization of transport costs (Nugroho, and Dahuri, 2004).

Companies tend to minimize costs by choosing a location that maximizes their opportunities to approach the market. The model of ancient industrial development states that a good location is the cheapest cost between raw materials and markets (Arsyad, 1999).

The choice of location selection was carried out by the company as an effort to minimize costs carried out through agglomeration, carried out through internal agglomeration, inter-industry linkages, localization economies, urbanization economies (Nugroho and Dahuri, 2004). Even though agglomeration economies can be classified in several ways, typically three major categories are distinguished: (1) benefits of localization economies (Marshall - Arrow - Romer externalities) are derived from the agglomeration of specialized firms.

The choice of location selection was carried out by the company as an effort to minimize costs carried out through agglomeration, carried out through internal agglomeration, inter-industry linkages, localization economies, urbanization economies (Nugroho and Dahuri, 2004). Even though agglomeration economies can be classified in several ways, typically the three major categories are distinguished: (1) benefits of localization economies (Marshall - Arrow - Romer externalities) are derived from the agglomeration of specialized firms across the same industrial sector, (2) urbanization economies (Jacobs' externalities) across different industries, and (3) internal economies of scale results in significant returns because of the size of the firms (Parr 2002; McCann 2013).

Location Quotient (LQ) is a method for determining to measure the degree of specialization of an industry owned by an area, while measuring the export capacity of the regional economy and the independence of a sector. Based on the LQ analysis, the economy is divided into two parts, namely economic basis, namely economic activities to produce goods and services for markets in the region and outside the relevant region and non-base economy is an activity to produce goods and services for needs within the region (Widodo , 2006; Nugroho and Dahuri, 2004).

3 METHODOLOGY

This study used the quantitative approach on regional economic secondary data based, especially Gross Regional Domestic Product (GRDP) in all Provinces on Sulawesi Island.

The model used to analyze regional data is the analysis of Location Quotient (LQ) (Blair 1991), *LQ Trend* (Canon and Uton, 2007) and the Regional Concentration Coefficient (Blair 1991 and Warpani, 1984).

4 RESULT AND DISCUSSION

4.1 Economic Based

Sulawesi Island as the fourth corridor has a several sectors of the economy in the region which distributed to several Provincial. Potential development of the sector is reflected by LQ value. If $LQ > 1$ then called economic sector based, that is, a region growing or developing as a result of specialization in exports, with export incomes will be obtained, it can increase the wealth and the ability of a region to carry out the construction and pay the price of goods imported from outside the region. This analysis basically uses the theory of international trade is applied to the boundary of an area. (Adisasmita, 2008). LQ values are in all provinces on Sulawesi Island was presented in Table 1.

Sulawesi Island is expected to contribute to national economic growth. The development is highly dependent on the performance of the engines of economic development regions. Economic growth in the region is strongly influenced by the stability of regulation in each regions, if the regulation is not steady will have an impact on the economy and income distribution (Jaya, 2004). Among these are the elements of security policy which of these factors is a key element in determining investment decisions (Ulum, 2006), besides that there are factors levies, licensing procedures, services, local economic regulation (Usman, 2002).

Sulawesi Island as seen in Table 1, has potential natural resource, if managed properly then it will act as a driver of regional economic sector, because the sector is a double impact on the sector either directly or indirectly that may eventually lead to the growth of the region.

Table 1. Location Quotient Values in the Province of Sulawesi Island in 2006

Sector	North Sulawesi	Central Sulawesi	South Sulawesi	Southeast Sulawesi	Gorontalo	West Sulawesi
Agriculture	0.839	1.74	1.18	1.41	1.20	2.11
Mining	0.701	0.34	1.33	0.67	0.13	0.07
Industry	0.771	0.65	1.41	0.8751	0.83	0.75
Electricity, Gas and Water Supply	1.075	1.10	1.35	1.00	0.83	0.48
Construction	2.555	1.07	0.75	1.27	1.25	0.50
Trade, Hotel and Restaurant	1.101	0.95	1.10	1.12	1.03	0.98
Transportation and Communications	1.661	0.96	1.08	1.08	1.47	0.38
Financial Services	1.292	0.88	1.18	1.08	1.66	0.89
Services	1.366	1.37	1.04	1.20	1.72	1.28

Source: Results of Analysis

These include the potential for widespread agricultural sector, particularly farming, fishing and mining, and the results of the processing industry can be a major driver of development. The potency when accompanied by the smooth connectivity through the infrastructure network, it can stream the supply to meet demand across the province, in Sulawesi island and inter-island and international. Beside that, labor costs of this export activity if it is spent in the region will cause demand goods and services, so it can encourage economic growth in the next.

According to the theory of the export base, an area grown or developed as a result of specialization in export activities, with export income will be obtained, this can increase the wealth and the ability of an area to carry out the construction and pay the price of goods imported from outside the area. This analysis basically uses the theory of international trade which is applied to boundary of an area. (Adisasmita, 2008).

Table 1 shows a sector basis in some provinces on Sulawesi Island. If all of these facilitated, it will have an impact in growth acceleration. Each province has a different driving sector growth, which is as follows:

- a. Agriculture emerged as a driver of the economy in all regions except North Sulawesi province, but has a tendency to increase.
- b. Mining and industry sector only in the province of South Sulawesi which became sector basis
- c. Electricity, gas and water supply in the entire province became a sector basis except in the province of Gorontalo.
- d. The building sector became basis sector in all regions except in the province of West and South Sulawesi
- d. Trade, Hotel and Restaurant became a basis sector in all regions except in the province of Central and West Sulawesi
- e. Transport and Communications sector and also financial services sector became basis sector in all provinces, except the Western and Central Sulawesi
- f. While the service sector into a sector basis throughout the province.

Table 2: Based Sector Development in Sulawesi Provinces between Year 2000 to the Year 2006

Sector/ Province	North Sulawesi	Middle Sulawesi	South Sulawesi	Southeast Sulawesi	Gorontalo	West Sulawesi
Agriculture	Up	Up	Down	Up	up	Up
Mining and Quarrying	Down	Up	Up	Up	up	Up
Industry	Down	Down	Up	down	down	Up
Electricity, Gas and Water Supply	Up	Up	Up	Up	down	Up
Building	Up	Down	Up	Down	down	Up
Trade. Hotel& Rest.	Up	Down	Up	Down	down	.Down
Transport & Communications	Down	Down	Up	Up	down	Down
Financial Services	Down	Down	Up	Up	down	Up
Services	Up	Down	Up	Down	up	Up

Source: Results of Analysis

The economic potential of the region most associated with national policies among other policies Integrated Economic Development Zone or KAPET (Kuncoro, 2004) and policy of Development Economic Corridor (Situmorang, 2011). Economic Corridor development is realized through 8 main programs, namely agriculture, mining, energy, industrial, marine, tourism, telecommunications and the development of strategic areas, and 22 main economic activity. Selection of the main economic activity for each of the corridors is based on the consideration of the strategic view of economic activity and conditions or interests of current economic activity as well as the potential winning in each economic corridor. All 22 main economic activity is food and beverage industry, agro-food, copper, nickel, coal, rubber, palm oil, fisheries, animal husbandry, tourism, oil and gas, textiles, shipbuilding, steel, transport equipment, defense equipment, timber, cocoa and bauxite, also national strategic area (KSN) of Sunda Strait and *Jabodetabek*. (Bappenas go id). According to Hoover and Giarratani (1985) stated that the development of an area will be affected by internal and external factors. These factors are 1) the demand for the output region from outside the region, 2) inputs supply for production activities in the region, and 3) inter-regional trade.

4.2 Economic Based Developments

Regional economic development do not merely pursue the growth, but must be accompanied by an increase in the quality of human resources and institutional capacity of the economy and leaving the old paradigm where the economy is exploitative,

contrary to the new paradigm in the autonomous region towards economic development in order to improve the welfare and distributive justice (Haris , 2001). This is consistent with the results of the study by Mopangga (2011) stated that Gorontalo Province Development has shown inequalities caused by economic growth that required quality growth and lead to equitable development and social welfare, which can be done through increase per capita income followed by increasing the quality of human resources and ease of access the infrastructure.

Development and reliability of sector base is proved by it's development from time to time in the province. This development can be approached from *LQshift-share*, which the results are presented in Table 2. *LQ shift-share* describes the development status of the sector, in a certain period, if the development above the provincial average in the whole island in a certain period means showing up development. If development below the provincial average, its mean decline development. Ups and down of the developments is indicating the dynamics power. Subsequently Table 2 shows the development of economic base status. The developments are part of the region economic dynamics; most sectors moved up and partially decreased.

Primary sectors namely agriculture experienced positive development in the period 2000-2006 but suffered a setback in South Sulawesi. While the mining sector increased all regions except in the province of North Sulawesi. Industrial sector increased only in the province of South Sulawesi and West Sulawesi.

Electricity, gas and water supply in almost all provinces has positive developments, except in the

province of Gorontalo. Meanwhile, electricity, gas and water increased except in Gorontalo. The building sector is largely increased, except in Central Sulawesi, Southeast Sulawesi and Gorontalo. Trade, Hotel and Restaurant sector only increased in North and South Sulawesi. Transportation sector also increased in South and Southeast Sulawesi. Financial sector has increased only in South, Southeast and West Sulawesi. The service sector has increased except Central and Southeast Sulawesi.

4.3 Sector Concentration and Superior Region

Each province has agglomeration of economic activity; if these sectors are collected and accumulated it will be advantage for the area because it can contribute the economic growth in the region accumulatively which called Regional Concentration Coefficient (RCC)

Developing the region's economy can be classified based on the region itself, namely: (1) core region which grow rapidly as result of economies agglomeration (*core region*), 2) the transition region that grow rapidly because closeness to the central economies agglomeration (*upward transition areas*), transition region whose economy is declining or stagnant (*down ward transitional areas*), 4) undeveloped area but have a primary agricultural resources or primary activities (*resource frontier regions*) and 5) areas that facing special problems because of outlying or isolated condition or its potential resources inadequate (*special problem region*)(Kadin, 2009)

Seppo Laakso and Eeva Kostianen, (2010) states that the concentration of activity in a place indicates that, first, the activity that creative and intensive in science tends to concentrate in one location. Second, creative business activities tend to congregate in the center of the old city. This trend was also found in several other countries. This is caused by the primary key is the ease of communication between business worker and they partners. Besides, with the concentration can lead positive externalities from science to creative business community.

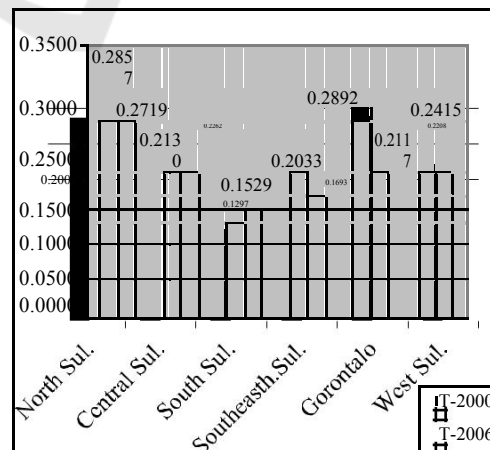
Concentration in a few sectors of the region is an advantage for the province to other provinces. The Regional Concentration Coefficient (RCC) was derived from sector concentration index; a positive concentration index showed concentrations above the sector's average, if negative means was below

the sector's average.

Positive summation index is a number RCC (Blair, 1991). A region if it has RCC highest score mean most superior region, because it has role in the accumulation of sector excellences. Based on the GRDP in 2000 until 2006 in 2000 constant prices, it was found that the value of RCC all provinces in Sulawesi Island are presented in Figure 1, which illustrates that South Sulawesi Province has the smallest RCC value for Sulawesi Island compared to other provinces. North Sulawesi province in 2000 had the highest value of the RCC that is 0.29, after 6 years this province is still relatively high sectorial performance, despite a slight decline.

Likewise with Gorontalo province of the result of expansion from North Sulawesi has a similarity RCC index with his parent province, but after 6 years experienced a little decline superiority. Figure 1 illustrates the excellence of all provinces on Sulawesi Island. In a period of 6 years then there are several regions which the excellence was increase, that is North, Central and West Sulawesi. North Sulawesi has an advantage relative to other provinces caused by a number of sectors and sectorial activity levels high above the provincial average on the island of Sulawesi. Besides, the province that formed relatively recently in the early period shows positive developments, because the policy is progressive as Gorontalo and West Sulawesi, but the next period Gorontalo decrease with policy dynamics.

Excellence remains the South and Southeast Sulawesi, and Gorontalo Province was decrease.



Source: Results of analysis

Figure 1. RCC value of Provinces on 2000 and 2006 on Sulawesi Island, based on constant prices on 2000.

Regional economic dynamics are characterized by the dynamics of LQ and RCC changes from time to time, then the excellence regions and sectors can be changed according to the dynamics of regional economic development.

This dynamics is strongly influenced by the policies of both policies at the district level and provincial-level policies (Jaya, 2004). Sector is a major driver for the primary sectors, namely agriculture, growth centers can be seen in Table 3. This table explains that the sectors driving growth of the agricultural sector and food crops expected to grow much from West Sulawesi. Southeast Sulawesi, Central Sulawesi and West Sulawesi.

Plantation sector is expected to grow from Southeast Sulawesi, West Sulawesi and Central Sulawesi. The forestry sector is expected to grow from almost all provinces, except the province of South and North Sulawesi. The livestock sector is expected to grow into a center of excellence in the Southeast and Central Sulawesi.

The fisheries sector is expected to grow rapidly and become a center of excellence in the South and Southeast Sulawesi Province. However, the growth of agricultural sector cannot be accelerated as the industrial sector, because of constraints related to natural factors such as climate factors, biological potency, also natural conditions from the factors that cannot be fully controlled. Industry excellence concentrated in the following Provinces: industrial sector concentrated in South Sulawesi Province which has a diversity of industries, with this it can be seen that South Sulawesi has shown a variety of industrial centers. Gorontalo province seen as the concentration of the forestry industry and the food industry. West Sulawesi province only has a concentration in the food industry. North province region has a concentration in the food industry and wood processing and forest products. While other provinces have the power in each timber and forest products also the industry of cement and minerals the industry, respectively for the province of Central Sulawesi and Southeast Sulawesi. More results are presented in Table 4.

Other economic prime movers are classified as tertiary sector is strongly linked with the main sectors, namely agriculture and industry, yet still provide a real sense of the region's economic growth. That economic development as well as actual and potential, are also strongly associated with the policies of the provinces and regencies / cities in each region.

Dynamics of regional economic development that has been widely driven by domestic consumption

should also be driven by investment and exports. It is necessary for a conducive investment climate (Kuncoro, 2004). According to Tambunan (2006) conducive investment climate is a climate that encourages a person to invest with the lowest possible cost and risk, and generate long-term highbenefits. There are a number of factors that affect the investment climate, the political and social stability, the condition of basic infrastructure, financial sector, labor market, regulation, taxation, bureaucracy, corruption, consistency and certainty of policy.

Based on the success of some countries in implementing Economic Corridor system, it was concluded that the successful implementation of the Economic Corridor Development approach in supporting the rapid economic development of a country is determined by the following factors:

1. The existence of political and good will of the Government and all stakeholders in the consistency of its implementation, starting at central, provincial to local government
2. Supported by the availability of adequate *infrastructure hardware*.
3. Ease of information to support business competitiveness
4. Ease licensing procedures and guarantees in business development.
5. Access or ease the movement of goods and people.
6. Good and strong governance. (Kamarzuki , 2011)

Table 3. Concentration Coefficient Agricultural Sector in Sulawesi Island

Agricultural Sector	Province					
	Gorontalo Province ³	West Sulawesi ¹	South Sulawesi ²	Southeast Sulawesi ²	North Sulawesi ¹	Central Sulawesi ¹
Crop *		0.0199				
Plantation		0.1606		0.0272		0.0712
Forestry *	0.0030	0.0015		0.0046		0.0328
Pasture *				0.0078		0.0046
Fisheries *			0.0096	0.0355		

Source: Results of analysis

* Associated with the main policy MPAIED

1) the tendency is up; 2) the tendency is constant; 3) the tendency is down

Information

Table 4. Concentration Coefficients of Non Agricultural Sector on Sulawesi Island

Sectors	Province					
	Gorontalo ³	West Sulawesi ¹	South Sulawesi ²	Southeast Sulawesi ²	North Sulawesi ¹	Central Sulawesi ¹
Non-oil and gas industry			0.0437			
* Food and Beverage Industry	0.0113	0.0054	0.0011		0.0036	
Wood and Forest Products *	0.0013		0.0042		0.0007	12:03
Fertilizer Industry, Rubber and Chemicals			0.0001			
Cement, metals and materials Quarrying Products *			0.0302	0.0451		
Machinery and Equipment *			0.0015			
Other industries				0.0010	0.0011	

Source: Results of analysis

* Associated with the main policy MPAIED

Information 1) the tendency is up; 2) the tendency is constant; 3) the tendency is down

The factors above are the domain of local government and should be commitments in the implementation of MPAIED policy, so that become the power of local government to be considered by investors through the power investment climate that created, not just rely on the power of government facilities. Samosir study results and Wibowo (2004) reveals that, existence of *KAPET Pare-Pare* has not

significantly able to drive the region's economy as well as fiscal facilities have not effectively utilized by investors.

Principal strategies that can contribute to the economic development of the region, namely 1) increased productivity of human resources, labor quality, and the ability to mastering the technology:

2) development and management of utilization natural resource (marine biodiversity, minerals and energy) and land development; 3) economic institutional development which support increased production, the economic empowerment of the people, and the competitiveness of the regional economy; 4) increased interregional infrastructure (road networks, marine transportation, air and railroad) and regional infrastructure (roads, water supply, dams, irrigation, sanitation, drainage, waste management, electricity, and communications), 5) the increase of economic integration in interregional through strengthening the interregional economic network (Kamarzuki, 2011) and 6) increasing the climate of conducive investment (Tambunan, 2006: Kuncoro, 2004)

Economic potential on Sulawesi Island, as described above provide very important information for the investment to be a commitment between the Government, State Owned Enterprises (SOEs), local government and the business world. The investment opportunity consists of regional development investment or business activities and infrastructure investment. Besides, it is also necessary the connectivity infrastructure development, human resource and institutional also the progress of science and technology (Science and Technology).

Planning and National Development Agency is responsible for the synergy Acceleration Master plan and Expansion of Indonesian Economic Development (MPAIED) with other government programs. This was stated by Minister for Planning and National Development / Chief of National Planning Board (Kompas.com.). This synergy is very important to combine the function of economic growth and the distribution at the local community level. Besides, not all sectors are the main target of the MPAIED policy but there are other sectors that can drive the region's economy and become the vocation for the local community.

5 CONCLUSION

Acceleration Master Plan and Expansion of Indonesian Economic Development (MPAIED) based on the Framework of Regional Economic Corridors. Furthermore Corridor Economic Region is strongly associated with the sectors of the economy, reliability in the development and commitment of the local government.

Based on the results above, it can be concluded that Sulawesi Island can accelerate its development,

through the sectors with the performance as driver of regional economic, has dimensions of sustainability and focus on specific areas as the central agglomeration. The third dimension is expected to act as a growth locomotive which sustainable in order to accelerate Sulawesi Regional Economic Growth Corridor, and also distribute benefits for the Sulawesi people which more equitable.

Sectors that have been identified as a driver of economic regions or prime mover sector on Sulawesi Island will give the meaning in economic regional development if supported and responded by the local government in the form of 1) lack of political will and good will from the central government and local governments and the whole stakeholders in the implementation consistency, 2) support the availability of adequate infrastructure, 3) ease of information to support business competitiveness, 4) ease of licensing procedures and guarantees in business development, 5) access or ease the movement of goods and people, 6) Good and strong governance 7) comfort guarantee and safety on the sustainability of business activities.

The potential benefits of the region do not give real meaning if there is no consistency of policy at both the provincial government and policy at district and city level and does not provide space on the participation of local communities to improve their welfare.

REFERENCES

- Adisasmita, R. , 2008. *Area Development, Concepts and Theories*. Housekeeping Science, Yogyakarta.
- Arsyad, Lincoln. 1999. *Pengantar Perencanaan dan Pembangunan Ekonomi Daerah*. BPFE. Yogyakarta.
- Blair, J. P., 1991. *Urban and Regional Economics*. Irwin. Boston.
- Bank Indonesia. 2007. *Indonesian Economic Report of 2007*. Bank Indonesia.
- Canon, Rustan Uton Syarwani and Aaron. 2007. *Derivation of Share Lq, Lq and Lq Trend shift*. The First International Institute Bandung.
- Hoover, E. M and F. Giarratani. , 1985. *An Introduction to Regional Economics*. Third Edition. Alfred A Knopf. New York.
- Haris, Shamsuddin. , 2001. *New Paradigm Relations-Regional Center for Direction Format*. Autonomous Regions of the Future. *News Science and Technology*. Year 42. No. 3. Indonesian Institute of Sciences. (Accessed on 12 September 2011)
- Jaya Kirana Wihana. , 2004. *New Institutional Economics of the State: An Alternative Approach to Regional Autonomy in Indonesia*. *Indonesian Journal of Economics and Business*. Vol 19 # 4 things: 327-339. Universitas Gadjah Mada.

- Kamarzuki , 2011. Economic Corridors Development in Regional Development. *http:On-line bulletin*. Spatial ISSN: 1978-1571. March-April edition 2011. (Accessed on June 28, 2011).
- Chamber of Commerce. 2009. *Roadmap Development Economy Indonesia 2009-2014*. [www//Kadin Indonesia](http://www.kadinindonesia.org). (Accessed on June 28, 2011).
- Kuncoro, M., 2004. *Autonomy and Regional Development, Reform, Planning and Opportunities*. Publisher Erlangga, Jakarta.
- Kuncoro, M. , 2005. Waiting for business investment climate reform in Indonesia. *Http / / www.mudrajad.com* (Accessed on June 28, 2011).
- Situmorang, Budi. , 2011. Indonesian Economic Development in Perspective An arrangement of space. *Http:On-line bulletin*. Spatial ISSN: 1978-1571. March-April edition 2011. (Accessed on June 28, 2011).
- Mopangga, Herwin. , 2011. Inequality Analysis of Development and Economic Growth in Gorontalo province. *Trikonomika*, Volume 10 # 1 thing 40-51 ISSN 1411-514X.
- SeppoLaakso & EevaKostiainen. 2010. Design in the local economy: Location factors and Eketernalities of design. *On-line journal*: [www // Springer Science and Business Media BV](http://www.springer.com). (Accessed on 12 September 2011).
- Nopirin. 1999. *Ekonomi Internasional*. Edisi 3.BPFE. Yogyakarta..
- Nugroho, I dan Dahuri, R. 2004. *Pembangunan Wilayah Perspektif Ekonomi, Sosial da Lingkungan*. Penerbit Pustaka LP3ES, Jakarta.
- Naidoo, P Collateral and Tri Wibowo. , 2004. *Effectiveness Analysis of Fiscal Incentives in Eastern Indonesia (KTI), Case Study Kapet Pare-Pare*. Studies Economics and Finance. Vol.1 March 2004. Fiscal Analysis Agency. Ministry of Finance.
- Spinola, N D, Spinola, C. A and Pereira, A.,S. 2015. Business location: strategic factor for the development of regions? An approach on industrial location policy of Bahia. 55th Congress of the European Regional Science Association: "World Renaissance: Changing roles for people and places", 25-28 August 2015, Lisbon, Portugal. European Regional Science Association (ERSA)
- Tambunan, Sincere. 2006. I nvestment climate in Indonesia: issues, challenges and potential. *Kadin Indonesia*. [Www // kadin indonesia.or.id](http://www.kadinindonesia.or.id). (Accessed on 12 September 2011).
- Ulum, Ihya.2006. Analysis of Investment Attractiveness Rating Relationships with Revenue District / town in Indonesia. *Journal of Accounting and Public Sector Finance (JAKSP)* Volume 7 # 1. ISSN 1411-5921.
- Usman, Syaikhu et al. , 2002. Regional Autonomy and the Business Climate: The Case of the Three Districts in West Java. *Institute Research Institute..*
- Warpani, S., 1984. *Analysis of Cities and Regions*. Publisher ITB, Bandung.
- Widodo, Tri. 2006. *Perencanaan Pembangunan: Aplikasi Komputer Era Otonomi Daerah*. UP STIM YKPN Yogyakarta.
- Yameogo, N.D., Tiguene Nabassaga, Abebe Shimeles and Mthuli Ncu. 2014. *Diversification and Sophistication as drivers of structural transformation for Africa: The Economic Complexity Index of African Countries*. *Journal of African Development* Fall 2014 | Volume 16 #2.
- World Development Indicators (2017). *Indonesia Database for Policy and Economic Research*, Washington, US: World Bank, <https://www.bappenas.go.id/files/rpjm/RPJM%202010-2014.pdf> downloaded 1-10-2018. <http://www.kemendag.go.id/files/pdf/2012/12/06/mast-er-plan-2011-2025-id0-1354731495.pdf>. downloaded 1-10-2018