

Analysis Of The Relationship Of Basic Economic Sectors To Labor Absorption In West Lombok Regency

Agung Trisna Irawan¹, Niniek Imaningsih²

^{1,2}*Department Economics Study Program, Faculty of Economics and Business, National Development University “Veteran”, East Java, Indonesia.*

Abstract

This study employs a descriptive quantitative approach to analyze the effect of basis sector Gross Regional Domestic Product (GRDP) on labor absorption in West Lombok Regency during the 2013-2024 period. The research utilizes Location Quotient (LQ) analysis to identify basis sectors and simple linear regression through IBM SPSS Statistics to examine the influence of basis sector GRDP on employment absorption. Secondary data were obtained from Statistics Indonesia (BPS) and other relevant official sources. The findings indicate that several economic sectors in West Lombok Regency are categorized as basis sectors, reflecting their comparative advantages and substantial contributions to regional economic performance. Regression results demonstrate that basis sector GRDP has a positive and statistically significant effect on labor absorption, implying that the expansion of basis sectors contributes directly to increased employment opportunities. These results emphasize the importance of prioritizing basis sector development as a strategic policy to foster regional economic growth and enhance workforce absorption. Therefore, strengthening basis sectors is essential for sustainable economic development in West Lombok Regency. Future research is recommended to incorporate additional variables such as investment, wage levels, and education to provide broader insights into labor absorption determinants.

Keywords: *Gross Regional Domestic Product (GRDP), Basis Sector, Labor Absorption, Location Quotient (LQ).*

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**Corresponding Author:*

22011010168@student.upnjatim.ac.id ,
niniekimaningsih@gmail.com

INTRODUCTION

In Indonesia, employment problems remain an important issue in regional and national economic development. The increasing number of productive-age population has caused the labor force to continue growing from year to year. However, the growth of employment opportunities is often unable to keep pace with the increasing number of labor force participants, resulting in unemployment and labor market imbalances. According to data from the Central Statistics Agency (BPS), the number of employed population in West Lombok Regency has shown fluctuating but generally increasing trends over recent years. In 2020, the number of employed population reached 242,531 people and continued to increase until it reached 414,343 people in 2024. This condition indicates that labor market participation in West Lombok Regency continues to increase every year. The increasing number of labor force participants can encourage regional economic activity, but if employment opportunities do not increase proportionally, it may lead to higher unemployment and lower labor absorption in the region (Anggoro, 2013).

Despite the increasing economic growth and the rising number of employed population in West Lombok Regency, labor absorption has not always increased optimally. This condition can be seen from the relatively high Open Unemployment Rate compared to several other regencies in West Nusa Tenggara. The imbalance between labor availability and employment opportunities indicates that regional economic growth has not been fully accompanied by sectors capable of absorbing labor intensively. Several growing economic sectors tend to be more capital intensive, causing the increase in regional output not to proportionally increase labor demand. This condition highlights the importance of analyzing the role of economic base sectors in encouraging labor absorption and supporting more inclusive regional economic development.

Labor absorption in West Lombok Regency is closely related to the development of regional economic sectors, particularly economic base sectors that contribute significantly to regional economic growth. Base sectors reflect sectors that possess comparative advantages and have the ability to encourage regional economic activities through the production of goods and services both for local and external markets. The development of these sectors is expected to create wider employment opportunities and increase labor absorption (Melinda Reta Erlyiana, 2025).

West Lombok Regency was selected as the object of this study because it has experienced increasing economic growth and fluctuations in labor absorption during the period 2013-2024. Several economic sectors continued to develop and contributed to the increase in regional GRDP. All of these economic activities are categorized into 17 main sectors, ranging from agriculture and manufacturing to trade and services. This sectoral division allows for analysis of which sectors are the primary drivers of the regional economy and which sectors still have potential for development to support economic growth (Indriaty, 2022).

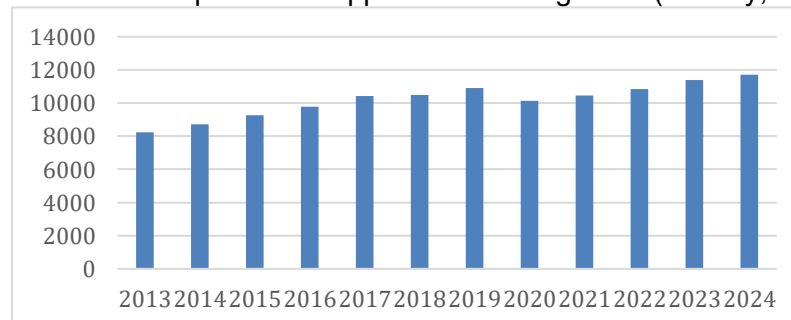


Figure 1 Gross Regional Domestic Product of West Lombok Regency by Sector (In Billions of Rupiah)

Based on the GRDP graph of West Lombok Regency during the period 2013-2024, it can be seen that the GRDP value generally experienced an increasing trend from year to year. In 2013, the GRDP value was recorded at 8,238.7 and continued to increase until it reached 11,723.12 in 2024. This increase indicates that economic activity in West Lombok Regency has developed positively over time. However, in 2020, GRDP declined to 10,128.30 due to the economic slowdown caused by the COVID-19 pandemic. This upward trajectory demonstrates that regional economic performance has improved substantially. Nevertheless, increasing GRDP has not automatically translated into optimal labor absorption. The relatively high Open Unemployment Rate (OUR) compared to other regencies in West Nusa Tenggara Province suggests that economic growth in West Lombok may not yet be sufficiently inclusive. This phenomenon reflects a structural imbalance in which certain sectors contribute substantially to regional output but may not effectively generate broad employment opportunities due to capital-intensive characteristics. Afterward, GRDP gradually increased again during 2021-2024, reflecting the recovery and more stable economic growth of the region.

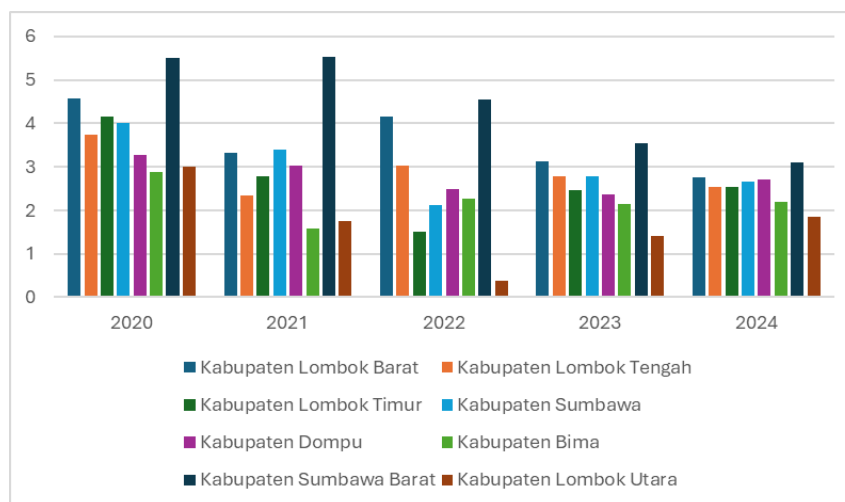


Figure 2 Comparison of Open Unemployment Rates (TPT) in Regencies/Cities of West Nusa Tenggara Province

Data from the Open Unemployment Rate (OUR) for West Lombok Regency shows fluctuating and comparatively high unemployment levels relative to other regencies in West Nusa Tenggara. This trend suggests that regional economic growth has not yet translated into efficient labor absorption. The persistent unemployment rate highlights a mismatch between the expanding workforce and the job market's capacity, which is intrinsically linked to the composition of local economic base sectors. While a growing labor force reflects increased economic activity, it necessitates sufficient job creation to prevent joblessness. Given that labor absorption is tied to both sectoral development and GRDP growth, an empirical analysis is essential to pinpoint which base sectors can best facilitate employment in the region.

THEORITICAL REVIEW AND HYPOTHESIS DEVELOPMENT

Regional Economic Development Theory

Explains that economic development is the process of transforming the economic structure from low-productivity traditional sectors to more productive modern sectors capable of absorbing a larger workforce. Regional economic development, the growth of leading or basic sectors, are the primary drivers of increased Gross Regional Domestic Product (GRDP) and job creation (Lewis, 1954). In regional contexts, the development of leading or basic sectors serves as the primary engine of growth by increasing output, stimulating investment,

and creating employment opportunities. Therefore, sectors with strong productive capacity and comparative advantages are essential for accelerating economic transformation and improving labor market outcomes.

Economic Growth Theory

Economic growth is the process of increasing an economy's production capacity, manifested through long-term increases in national and regional income. Economic growth is also linked to increased economic activity, employment opportunities, and social welfare. In the context of regional development, economic growth, reflected in increased GRDP (Gross Domestic Product), is expected to encourage employment through the development of productive economic sectors (Todaro, 2015). In regional development, economic growth is expected to enhance labor absorption by expanding productive sectors and increasing labor demand. However, the quality of growth is equally important; economic growth that is concentrated in capital-intensive sectors may not significantly improve employment opportunities. Therefore, sectoral composition plays a critical role in determining whether economic growth translates into inclusive labor market development.

Gross Regional Domestic Product

Gross Regional Domestic Product (GRDP) serves as a fundamental metric for evaluating a region's economic health and efficiency during a given timeframe, calculated using both current and constant market prices. According to (Ibrahim, 2021) GRDP represents the total value added across all regional economic sectors, making it an essential tool for examining production output, economic composition, and the overall pace of regional development. GRDP growth indicates increasing economic activity, which theoretically should encourage higher labor demand and employment expansion. In this study, basis sector GRDP serves as an important variable for assessing how sectoral economic strength influences labor absorption in West Lombok Regency.

Basis Sector

A basis sector is defined by its comparative advantage, which allows it to act as a primary catalyst for regional development and economic expansion. According to (Yulianto Pamungkas & Iriani, 2022) the significance of this sector lies in its capacity to provide a substantial contribution to the formation of a region's Gross Regional Domestic Product (GRDP).

The development of base sectors is particularly important in regional economies because these sectors function as engines of growth that support sustainable economic transformation. For example, sectors such as tourism, manufacturing, transportation, and large-scale services often become basic sectors due to their ability to attract external demand and generate significant economic spillover effects. When base sectors expand, local governments benefit from higher tax revenues, increased business activities, and stronger regional competitiveness (Jaya, 2022).

The Relationship Between the Basic Sector and Labor Absorption

The relationship between basis sectors and labor absorption is an important concept in regional economic development. Basis sectors that experience growth will increase production activities and regional income, thereby encouraging greater labor demand. Expansion of production in basis sectors generally requires additional labor, especially in

labor-intensive sectors such as manufacturing, transportation, trade, accommodation, and tourism services.

Several previous studies indicate that basis sectors positively influence labor absorption. Research by Arvan Pradita Ibrahim et al (2021) found that leading sectors significantly affected labor absorption in Pasuruan Regency. Likewise, research by Eka Aprilia N. Sagita et al (2024) concluded that basis sectors positively and significantly influenced labor absorption in Sidoarjo Regency.

In West Lombok Regency, increasing economic growth accompanied by the development of several leading sectors indicates that basis sectors potentially contribute to increasing labor absorption. However, relatively high unemployment rates suggest that not all growing sectors optimally absorb labor. Therefore, further analysis is needed to examine the relationship between basis sectors and labor absorption in West Lombok Regency.

Hypothesis Development

Based on the theoretical framework and previous empirical studies, the following hypotheses are proposed:

H1: It is suspected that there are several leading sectors in West Lombok Regency

H2: It is suspected that there is an influence of leading and non-leading sectors on labor absorption in West Lombok Regency.

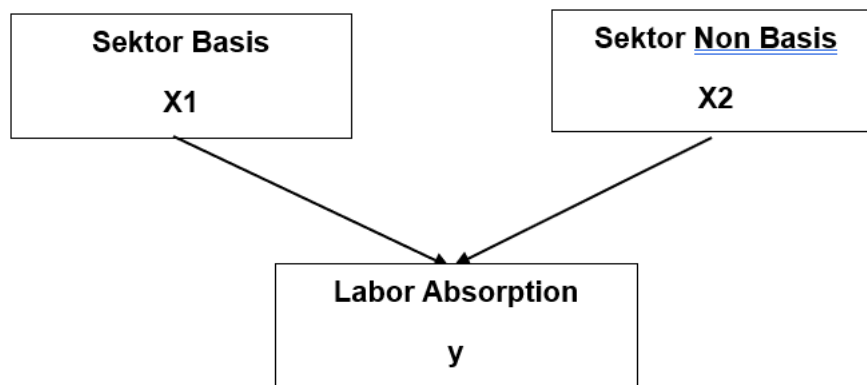


Figure 1
Conceptual Framework

RESEARCH METHODS

This research employs a quantitative descriptive methodology to examine how basis and non-basis sectors influenced labor absorption in West Lombok Regency between 2013 and 2024. The study utilizes Gross Regional Domestic Product (GRDP) data categorized by business sector and labor statistics as its primary population. For the sample, annual sectoral GRDP and employment data spanning a 12-year period (2013–2024) were gathered through documentation. These datasets were sourced from official Statistics Indonesia (BPS) publications for both West Lombok and West Nusa Tenggara Province. To analyze the data, the study applies Location Quotient (LQ) analysis to distinguish between basis ($LQ > 1$) and non-basis ($LQ < 1$) sectors, alongside multiple linear regression to determine sectoral impacts:

$$LQ = \frac{(S_i/S)}{(N_i/N)}$$

- S_i = GRDP of sector i in West Lombok Regency

- S = Total GRDP in West Lombok Regency
- N_i = GRDP of sector i in West Nusa Tenggara Province
- N = Total GRDP in West Nusa Tenggara Province

To analyze the influence of basis sector GRDP on labor absorption, this study uses simple linear regression analysis processed through IBM SPSS Statistics software. Simple linear regression was chosen because the study focuses on measuring the direct effect of one independent variable, namely basis sector GRDP, on one dependent variable, labor absorption. This study uses simple linear regression analysis using IBM SPSS Statistics. Simple linear regression analysis is used to determine the effect of basis sectors and non-basis sectors on labor absorption. The regression equation is formulated as follows:

$$Y = a + b_1X_1 + b_2X_2 + e$$

Y = Labor absorption

a = Constant

b_1 = Regression coefficient of basis sector GRDP

b_2 = Regression coefficient of non-basis sector GRDP

X_1 = Basis sector GRDP

X_2 = Non-basis sector GRDP

e = Error term

Operational Definitions:

- Labor Absorption (Y): The number of employed workers in West Lombok Regency.
- Basis Sector GRDP (X_1): Total GRDP generated by sectors with $LQ > 1$.
- Non-Basis Sector GRDP (X_2): Total GRDP generated by sectors with $LQ < 1$.

Before regression analysis, classical assumption tests were performed, including normality, heteroscedasticity, and autocorrelation tests to ensure statistical validity. By using Location Quotient (LQ) analysis and separate simple linear regression models, this study identifies leading and non-leading sectors while examining their individual effects on labor absorption. This approach provides clearer insight into how each sector category contributes independently to employment growth in West Lombok Regency.

RESULTS

Location Quotient (LQ) Analysis Results

The Location Quotient (LQ) analysis was conducted to identify basis and non-basis sectors in West Lombok Regency during the 2015–2024 period. The LQ method is used to determine sectors that have comparative advantages and specialization in the regional economy. Sectors with an LQ value greater than 1 ($LQ > 1$) are categorized as basis sectors, while sectors with an LQ value less than 1 ($LQ < 1$) are categorized as non-basis sector.

Table 1 Location Quotient (LQ)

Sub Kategori PDRB	RATA-RATA	KETERANGAN
A. Pertanian, Kehutanan, dan Perikanan	0,942	NON BASIS
B. Pertambangan dan Penggalian	0,389	NON BASIS
C. Industri Pengolahan	1,116	BASIS
D. Pengadaan Listrik dan Gas	1,270	BASIS
E. Pengadaan Air, Pengelolaan Sampah, Limbah dan Daur Ulang	1,455	BASIS
F. Konstruksi	1,341	BASIS
G. Perdagangan Besar dan Eceran; Reparasi Mobil dan Sepeda Motor	0,978	NON BASIS
H. Transportasi dan Pergudangan	1,660	BASIS
I. Penyediaan Akomodasi dan Makan Minum	3,465	BASIS
J. Informasi dan Komunikasi	1,125	BASIS
K. Jasa Keuangan dan Asuransi	0,957	NON BASIS
L. Real Estate	1,098	BASIS
M, N. Jasa Perusahaan	0,589	NON BASIS
O. Administrasi Pemerintahan, Pertahanan dan Jaminan Sosial Wajib	1,087	BASIS
P. Jasa Pendidikan	1,101	BASIS
Q. Jasa Kesehatan dan Kegiatan Sosial	1,038	BASIS
R,S,T,U. Jasa lainnya	1,119	BASIS

Based on the analysis, several sectors in West Lombok Regency have been identified as basic sectors due to their average Location Quotient (LQ) values exceeding 1.0. These include manufacturing, utilities (electricity, gas, and water), waste management, construction, transportation, and warehousing. Other key sectors include hospitality (accommodation and food services), information and communication, real estate, public administration, education, healthcare, and various service activities. These findings suggest that West Lombok possesses a comparative advantage and regional specialization in these areas compared to the provincial level. Notably, the accommodation and food service sector achieved the highest average LQ of 3.465, underscoring its vital role in the local economy, particularly driven by tourism. Furthermore, the transportation and warehousing sector also recorded a significant LQ of 1.660, highlighting its essential function in supporting regional economic mobility and the tourism industry.

Several other sectors such as electricity and gas supply, water supply and waste management, construction, information and communication, education services, health services, and government administration also had LQ values above 1. This condition reflects that these sectors have significant contributions to regional economic growth and are capable of serving not only local demand but also broader economic activities outside the region.

Conversely, several industries are classified as non-basis sectors because their average Location Quotient (LQ) values fall below 1. These include agriculture, forestry, fisheries, mining, retail trade, and financial and business services. Primarily serving local demand, these sectors lack a strong comparative advantage relative to the provincial economy. For instance, the agriculture, forestry, and fisheries sector recorded an LQ of 0.942, while the wholesale and retail trade sector sat at 0.978—both contributing significantly but remaining below the provincial specialization average. In contrast, the mining and quarrying sector had the lowest LQ at 0.389, followed by business activities at 0.589. Ultimately, these results highlight a shift in West Lombok's economic structure toward a service-oriented economy driven by tourism, transportation, and public services, which now serve as the primary engines for growth and employment.

Results of the Leading Sector Normality Test Using the One-Sample Kolmogorov Smirnov Test

One-Sample Kolmogorov-Smirnov Test

	Unstandardized Residual
N	12
Normal Parameters ^{a,b}	
Mean	.0000000
Std. Deviation	30.60766278
Most Extreme Differences	
Absolute	.147
Positive	.114
Negative	-.147
Test Statistic	.147
Asymp. Sig. (2-tailed)	.200 ^{c,d}

Figure 3 Results of the Leading Sector Normality Test Using the One-Sample Kolmogorov Smirnov Test

Source: SPSS Output

Based on the test results, it shows that the Test Statistic value is 0.147 with an Asymp. Sig. (2-tailed) value of 0.200. Because the significance value is greater than the 0.05 confidence level of $0.200 > 0.05$, it can be stated that the residuals of the formed regression model are normally distributed. By fulfilling this normality assumption, the simple linear regression model used in the study is stated to have fulfilled one of the main prerequisites for the classical assumption test, so that the estimated results obtained can be statistically accounted for.

Results of the Normality Test for the Non-Leading Sector Using the One-Sample Kolmogorov Smirnov Test

One-Sample Kolmogorov-Smirnov Test

	Unstandardized Residual
N	12
Normal Parameters ^{a,b}	
Mean	.0000000
Std. Deviation	24.11823706
Most Extreme Differences	
Absolute	.164
Positive	.132
Negative	-.164
Test Statistic	.164
Asymp. Sig. (2-tailed)	.200 ^{c,d}

Figure 4 Results of the Normality Test for the Non-Leading Sector Using the One-Sample Kolmogorov Smirnov Test

Source: SPSS Output

According to the results of the One-Sample Kolmogorov–Smirnov Test, the non-leading sector model produced an Asymp. Sig. (2-tailed) value of 0.200, which is above the 0.05 significance threshold. This statistical outcome indicates that the residual data are normally distributed. Supporting this conclusion, the Kolmogorov–Smirnov test statistic was recorded at 0.164 based on a sample size of 12 observations. Additionally, the residual mean value of 0.0000000 suggests that the residuals are evenly centered around the mean, while

the standard deviation value of 24.11823706 reflects that the spread of residual variation remains within an acceptable range.

These findings confirm that the regression model for the non-leading sectors satisfies the normality assumption, which is a crucial requirement in classical regression analysis. As a result, the model can be considered statistically dependable and suitable for subsequent hypothesis testing and analytical procedures. This strengthens the credibility of the regression model in explaining the relationship between non-leading sector GRDP and labor absorption in West Lombok Regency.

Heteroscedasticity Test (Glejser Test)

Variabe	Sig 2-tailed (X)	Ketentuan	Keterangan
Sektor Unggulan Kabupaten Lombok Barat	0,134	$\geq 0,05$	Tidak Terjadi Heterokedastitas
Sektor Non Unggulan Kabupaten Lombok Barat	0,452	$\geq 0,05$	Tidak Terjadi Heterokedastitas

Figure 5 Heteroscedasticity Test (Glejser Test)

Source: SPSS Output

The heteroscedasticity test was performed using the Glejser Test to determine whether there is inequality of variance in the regression residuals. A regression model is considered free from heteroscedasticity if the significance value is greater than 0.05. The results show that the significance value for the leading sector variable is 0.134 and for the non-leading sector variable is 0.452. Both values are greater than 0.05. Therefore, it can be concluded that there is no heteroscedasticity problem in the regression model. This means that the residual variance is constant across observations, indicating that the regression model satisfies the homoscedasticity assumption and produces unbiased estimation results.

From an economic standpoint, this means that the impact of sectoral GRDP on labor absorption remains relatively stable throughout the study period, regardless of economic fluctuations. In practical terms, increases in sectoral output consistently influence employment without unpredictable variations. This stability strengthens the reliability of sector-based policy interventions aimed at improving labor absorption.

Autocorrelation Test (Run Test)

Variabel	Asymp. Sig. (2-tailed)	Ketentuan
Sektor Unggulan Kabupaten Lombok Barat	0,130	$\geq 0,05$
Sektor Non Unggulan Kabupaten Lombok Barat	0,130	$\geq 0,05$

Figure 6 Autocorrelation Test (Run Test)

Source: SPSS Output

The autocorrelation test To assess whether residual correlation existed within the regression model, a Run Test for autocorrelation was conducted. Since a reliable regression model should not contain autocorrelation, the results showed that the Asymptotic Significance (2-tailed) value for both the leading and non-leading sectors was 0.130. Because this value exceeds the significance threshold of 0.05, it indicates that autocorrelation is not present in the model. Therefore, the residuals are considered random and independent across observations. As a result, the regression model fulfills the essential assumption of being free from autocorrelation.

Economically, this finding suggests that labor absorption patterns in West Lombok Regency are influenced by current sectoral economic conditions rather than excessive dependence on previous-year disturbances. This implies that policy interventions targeting basis sector development can have direct contemporary effects rather than being constrained by persistent historical inefficiencies.

t-Test (Partial)

Variabel	T hitung	T tabel	Sig
PDRB Sektor Ungulan Kabupaten Lombok Barat	3,957	1,833	0,003
PDRB Sektor Non-Ungulan Kabupaten Lombok Barat	5,597	1,833	0,000

Figure 7 t-Test (Partial)
Source: SPSS Output

The t-test was conducted to examine the partial effect of independent variables on labor absorption in West Lombok Regency. The t-count value for the leading sector GRDP variable is 3.957, which is greater than the t-table value of 1.833, with a significance value of 0.003. Because the t-count is higher than the t-table and the significance value is less than 0.05 ($0.003 < 0.05$), it can be concluded that the GRDP of leading sectors has a positive and significant effect on labor absorption in West Lombok Regency. This finding indicates that the growth of leading sectors is capable of increasing employment opportunities and encouraging higher labor absorption. The development of tourism, transportation, accommodation, and other service sectors contributes significantly to employment creation in the region.

The t-count value for the non-leading sector GRDP variable is 5.597, which is also greater than the t-table value of 1.833, with a significance value of 0.000. Since the significance value is below 0.05 ($0.000 < 0.05$), it can be concluded that the GRDP of non-leading sectors also has a positive and significant effect on labor absorption. This result indicates that although non-leading sectors do not possess strong comparative advantages, they still contribute to creating employment opportunities, especially in sectors serving local economic activities. Economically, this indicates that as output in leading sectors increases, employment opportunities also expand significantly. Growth in tourism, transportation, accommodation, and service industries stimulates direct labor demand while also generating multiplier effects across supporting sectors. This confirms that basis sectors serve as engines of regional development by increasing both economic output and workforce absorption.

Economically, this means that although non-basis sectors lack strong external competitiveness, they remain vital in supporting employment, particularly for local communities and lower-skilled workers. These sectors often function as employment buffers by absorbing labor that may not yet be integrated into more productive sectors.

Determinasi (R^2)

Variabel Dependen	Variabel Independen	R-Squared
Penyerapan Tenaga Kerja Sektor Unggulan Kabupaten Lombok Barat	Sektor Unggulan Kabupaten Lombok Barat	0,610
Penyerapan Tenaga Kerja Sektor Non Unggulan Kabupaten Lombok Barat	Sektor Non Unggulan Kabupaten Lombok Barat	0,758

Figure 8 Determinasi (R^2)

Source: SPSS Output

The coefficient of determination (R^2) was used to measure how much the independent variable explains the dependent variable. The R-Squared value for the leading sector model is 0.610. This means that 61% of the variation in labor absorption can be explained by the GRDP of the leading sector, while the remaining 39% is influenced by other factors outside the research model. This finding indicates that the leading sector has a relatively substantial contribution to labor absorption in West Lombok Regency.

Approximately 24.2% of factors influencing labor absorption come from external variables not examined, but the majority of this influence (75.8%) is explained by the performance of non-prime sector GRDP. This data confirms that non-prime sectors are not merely complementary but rather important pillars of labor absorption rooted in the local community economy. This indicates that sectoral economic performance is a major determinant of employment conditions in West Lombok Regency. A higher R^2 value for basis sectors demonstrates that leading sectors are critical for long-term employment expansion, while strong explanatory power in non-basis sectors reflects their importance in sustaining everyday labor market participation.

Discussion

Analysis of the Influence of the Basic Sector on Labor Absorption in West Lombok Regency

Based on the regression analysis results, the GRDP of basis sectors has a positive and significant effect on labor absorption in West Lombok Regency. This finding indicates that the increase in economic output generated by basis sectors is capable of expanding employment opportunities and increasing the number of workers absorbed in the regional economy. Therefore, Hypothesis 1 is accepted, meaning that basis sectors significantly contribute to labor absorption.

This result is in line with regional economic development theory proposed by Lewis (1954), which explains that economic growth driven by productive sectors can accelerate structural transformation and create broader employment opportunities. Basis sectors are sectors with comparative advantages that not only serve local demand but also generate external income through exports or interregional trade. As these sectors develop, production

activities increase, investment expands, and labor demand rises. Consequently, basis sectors become the main drivers of regional economic growth and employment creation.

The findings also support previous studies by (Amalia et al., 2020) which concluded that leading sectors significantly influence labor absorption because they are capable of encouraging broader economic activities. In West Lombok Regency, sectors such as accommodation and food service activities, transportation and warehousing, construction, information and communication, and public services are identified as major basis sectors. Among these, the accommodation and food service sector recorded the highest LQ value, reflecting the strong contribution of tourism-related activities to regional economic performance. The significant influence of basis sectors on labor absorption can be explained by the labor demand theory, where increased production activities encourage firms to hire additional labor to meet rising market demand. In West Lombok Regency, tourism development, transportation services, and supporting service industries have become labor-intensive sectors that absorb substantial numbers of workers. This indicates that economic growth in basis sectors is relatively inclusive and has direct implications for reducing unemployment.

However, despite the positive impact, the relatively high unemployment rate in West Lombok Regency suggests that the contribution of basis sectors to labor absorption has not yet fully resolved labor market imbalances. Certain basis sectors may still require specific skills that are not evenly distributed among the labor force, creating structural unemployment. Therefore, strengthening basis sectors should also be accompanied by workforce quality improvement through vocational training, education, and labor market policy support.

Analysis of the Influence of the Non-Basic Sector on Labor Absorption in West Lombok Regency

The significant influence of basis sectors on labor absorption can be explained by the labor demand theory, where increased production activities encourage firms to hire additional labor to meet rising market demand. In West Lombok Regency, tourism development, transportation services, and supporting service industries have become labor-intensive sectors that absorb substantial numbers of workers. This indicates that economic growth in basis sectors is relatively inclusive and has direct implications for reducing unemployment. However, despite the positive impact, the relatively high unemployment rate in West Lombok Regency suggests that the contribution of basis sectors to labor absorption has not yet fully resolved labor market imbalances. Certain basis sectors may still require specific skills that are not evenly distributed among the labor force, creating structural unemployment. Therefore, strengthening basis sectors should also be accompanied by workforce quality improvement through vocational training, education, and labor market policy support.

Interestingly, the coefficient of determination (R^2) for the non-basis sector model is higher than that of the basis sector model, suggesting that non-basis sectors explain a larger proportion of variation in labor absorption. This may indicate that local economic activities continue to play a dominant role in employment creation, particularly for lower-skilled workers. In many developing regions, non-basis sectors often serve as employment buffers, especially when formal or modern sectors cannot fully absorb the growing labor force. Nevertheless, the relatively lower comparative advantage of non-basis sectors implies that their long-term capacity to drive sustainable economic growth may be more limited than basis sectors. Non-basis sectors generally depend on internal regional demand and may face slower productivity growth. Therefore, while non-basis sectors remain essential for short-term

labor absorption, regional development policies should prioritize transforming productive non-basis sectors into stronger economic drivers.

Overall, the findings indicate that both basis and non-basis sectors contribute significantly to labor absorption in West Lombok Regency, although through different mechanisms. Basis sectors primarily drive regional growth and external competitiveness, while non-basis sectors support local employment stability. These results imply that balanced sectoral development is crucial to achieving inclusive economic growth, reducing unemployment, and strengthening regional labor markets. These findings imply that local governments should strengthen labor-intensive sectors while improving workforce skills to reduce structural infrastructure.

CONCLUSION

This study concludes that West Lombok Regency has several basis sectors with strong comparative advantages, particularly in tourism, accommodation, transportation, and service sectors, which significantly contribute to regional economic growth. The regression results show that both basis and non-basis sectors have a positive and significant effect on labor absorption. Basis sectors act as the main drivers of economic expansion and employment creation, while non-basis sectors support local employment stability.

These findings indicate that balanced development between basis and non-basis sectors is essential to increase labor absorption and reduce unemployment in West Lombok Regency. Therefore, regional policies should prioritize strengthening leading sectors while also improving workforce quality through education and vocational training. Overall, productive sector development is crucial for supporting sustainable economic growth and broader employment opportunities. Future studies could include additional variables such as investment, wages, and education levels to gain greater insight into labor absorption.

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