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Disparities in Regional Development in West Nusa Tenggara: An Economic Analysis of Districts and Cities 2018–2022

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Abstract

This study aims to analyze the economic structure and regional development disparities across districts and cities in West Nusa Tenggara (NTB) from 2018 to 2022. The research employs the Williamson Index, Klassen Typology, Location Quotient (LQ), and Shift-Share analysis methods to evaluate economic imbalances. The findings reveal that regional economic disparities in NTB are significantly high, as indicated by the Williamson Index nearing 1. Additionally, the Klassen Typology results demonstrate notable inequality in economic growth. Sectoral analysis using the LQ and Shift-Share methods highlights differences in regional economic performance, influenced by the characteristics of each analytical tool. The study suggests that the NTB government should formulate targeted strategies to maximize the potential of key economic sectors in order to achieve higher economic growth and balanced regional development.

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1. Introduction

Economic growth in Indonesia is distributed across all provinces, as reflected in the Gross Regional Domestic Product (GRDP). However, significant disparities exist in this distribution, leading to uneven development between provinces. According to the Central Statistics Agency (Badan Pusat Statistik, BPS), in 2022, six provinces on the island of Java contributed 58.63% to Indonesia's national GDP (at current prices), while the remaining 43.51% was distributed among 28 other provinces. West Nusa Tenggara (NTB), a province in eastern Indonesia, accounted for only 0.86% of the total GDP during the same period. Despite this modest contribution, NTB experienced notable GRDP growth of 12.98% from 2018 to 2022.

NTB's economic growth is primarily driven by three main sectors: Agriculture, Forestry, and Fisheries; Mining and Quarrying; and Wholesale and Retail Trade, Repair of Motor Vehicles and Motorcycles. However, the distribution of economic development within NTB is far from balanced. Economic activity in the province is predominantly centered on Lombok Island, where tourism has bolstered rapid growth. In contrast, Sumbawa Island, despite its size, lags significantly behind in terms of development, with the exception of West Sumbawa Regency, which benefits from the mining sector. These disparities highlight the ongoing regional imbalances within the province.

Fiscal decentralization, a policy designed to give local governments greater autonomy over resource management, was expected to drive regional economic growth in provinces like NTB. However, research by Abdillah (2016) and Azis, Tampubolon, and Desweni (2022) suggests that fiscal decentralization has not been entirely successful in promoting economic growth across all regions. According to Blakely (1994), for regions to stimulate economic activity, development must be based on leveraging local human and natural resources. In NTB's case, the uneven distribution of economic development calls for tailored regional strategies that focus on maximizing the province's key sectors.

One of the primary tools used to analyze regional economic disparities is the Williamson Index, which measures the extent of economic inequality within a region. A higher Williamson Index indicates greater regional inequality. In NTB, the Williamson Index has consistently approached 1, signifying a high degree of economic imbalance across its districts and cities. This is further confirmed by Klassen Typology analysis, which categorizes NTB's districts and cities into different development quadrants based on growth rates and per capita income. For instance, West Sumbawa Regency and Mataram City are classified as high-income, high-growth regions, while several other areas, such as North Lombok, are considered underdeveloped with low growth.

To address these disparities, according to Adi (2017) additional analytical methods like Location Quotient (LQ) and Shift-Share analysis are necessary. LQ helps identify key sectors (basis sectors) that significantly contribute to the regional economy, while Shift-Share analysis measures regional sectoral performance compared to the national economy. By applying these methods, policymakers can better understand which sectors have the potential to drive regional development and formulate strategies accordingly.

Given the ongoing economic disparities across districts and cities in NTB, this study aims to provide a comprehensive analysis of regional economic imbalances in the province using the Williamson Index, Klassen Typology, Location Quotient, and Shift-Share methods. The goal is to assist regional governments in identifying key economic sectors and designing targeted development strategies to promote balanced and sustainable growth across NTB.

2. Literature Review

Regional Economic Disparities and the Williamson Index

Economic disparities between regions have been widely discussed in regional economics, particularly with regard to the uneven distribution of economic growth across provinces and districts. One of the most prominent methods for measuring economic inequality is the Williamson Index, which quantifies the extent of economic disparity within a region. According to Badan Pusat Statistik (2021), the Williamson Index is a commonly used tool in regional studies to measure the gap between wealthier and less developed regions by comparing per capita GRDP (Gross Regional Domestic Product) within a province. A lower index value (closer to 0) indicates less inequality, while a higher value (closer to 1) signifies greater regional disparity.

Research on the application of the Williamson Index in various provinces of Indonesia, such as the study by Badan Pusat Statistik (2021) in Central Java, highlighted significant economic disparities between urban and rural regions. In this context, urban areas generally show faster economic growth compared to rural regions, leading to higher inequality in GRDP per capita. Similarly, in West Nusa Tenggara (NTB), the Williamson Index has revealed persistently high levels of inequality between districts such as Mataram and North Lombok, indicating that regional economic imbalances remain a critical issue.

Klassen Typology and Regional Classification

Another critical tool in the analysis of regional economic disparities is the Klassen Typology, which classifies regions based on their economic growth rate and per capita income. Klassen Typology divides regions into four distinct quadrants: 1) fast-growing and advanced regions (high growth, high income), 2) fast-growing but underdeveloped regions (high growth, low income), 3) developed but slow-growing regions (low growth, high income), and 4) lagging regions (low growth, low income). The method allows policymakers to assess which regions require targeted interventions to balance growth.

The study by Novita and Gultom (2017) applied Klassen Typology to analyze the economic sectors driving growth in Langkat Regency, North Sumatra. They found that the agricultural sector, particularly palm oil and rubber, played a key role in boosting the local economy, placing Langkat in the "high growth, high income" quadrant. The analysis provided actionable insights for local governments to focus on strengthening sectors with strong growth potential to improve overall regional economic performance.

In NTB, Klassen Typology has been employed to classify districts and cities based on their economic performance. For example, West Sumbawa Regency and Mataram City are categorized as regions with both high growth and high income, driven by the mining and services sectors, respectively. On the other hand, districts like North Lombok, with low growth and low income, require strategic interventions to boost their development.

Location Quotient (LQ) and the Identification of Base Sectors

The Location Quotient (LQ) method is commonly used to identify which sectors act as economic "bases" in a particular region. A base sector is one that drives the regional economy by producing goods and services for export outside the region. The LQ compares the relative concentration of a sector's contribution to the regional economy with its contribution to the national economy. If the LQ value is greater than or equal to 1, the sector is considered a base sector, which indicates a comparative advantage and potential for further development.

In their study on Bogor City, Vikaliana (2017) used LQ to identify the main economic sectors contributing to the city's economy. They found that sectors such as wholesale and retail trade, manufacturing, and real estate had LQ values greater than 1, indicating their role as base sectors that contributed to economic growth. This analysis helps regional policymakers focus on strengthening and investing in these key sectors to stimulate regional development.

In NTB, LQ analysis has revealed that sectors such as agriculture, mining, and tourism play a pivotal role in certain districts. For example, the mining sector in West Sumbawa Regency has a high LQ value, indicating its importance as a base sector that drives local economic growth. This insight is vital for the provincial government to prioritize these sectors to achieve balanced regional development.

Shift-Share Analysis and Sectoral Growth

Shift-Share analysis, first introduced by Dunn (1960), is another valuable tool for understanding regional economic performance. It dissects economic growth into three components: national growth, industry mix, and regional shift. The method helps determine whether regional growth is due to favorable national trends, the concentration of fast-growing industries, or unique regional advantages.

Research on Shift-Share analysis in Indonesia, such as the study by Wati and Arifin (2019), has shown that certain sectors can outperform the national average due to their inherent regional strengths. For instance, sectors like transportation and logistics in regions with strategic geographic locations can benefit from regional shifts, where local conditions allow for faster growth compared to the national average. This method offers insights into which sectors should receive focused development efforts to maintain competitive advantages.

In the case of NTB, Shift-Share analysis has been used to compare the economic performance of sectors before and after the COVID-19 pandemic. Findings show that while tourism experienced a sharp decline during the pandemic, the mining sector in West Sumbawa remained resilient, highlighting the sector's crucial role in sustaining regional growth.

Fiscal Decentralization and Regional Development

A study by Sodik and Nuryadin (2005) another major topic in the literature on regional development is fiscal decentralization, which refers to the transfer of fiscal authority from central to local governments. The objective of fiscal decentralization is to empower local governments to make decisions that reflect the unique needs and potential of their regions. However, the effectiveness of fiscal decentralization in fostering economic growth has been mixed. Abdillah (2016) found that while decentralization has given local governments more autonomy, many regions still struggle to leverage their new powers effectively, often due to limited local resources. Government spending plays a critical role in addressing regional inequalities, as targeted expenditures can help bridge development gaps across regions. Nasution (2020) analyzed these disparities and their relationship with government spending, highlighting the need for strategic allocation of funds to promote balanced growth across Indonesia's regions.

Fiscal decentralization has had mixed impacts on regional economic growth across Indonesia, with local resource capacity influencing how effectively decentralization supports development. Dyanti (2021) found that fiscal policies significantly affected growth patterns in Indonesia's 33 provinces from 2015 to 2019, highlighting that regions with stronger fiscal management capabilities benefit more substantially from decentralization efforts.

Similarly, Azis, Tampubolon, and Desweni (2022) explored the impact of fiscal decentralization on economic growth in Indonesia and concluded that disparities in regional fiscal capacities have limited the policy's effectiveness. Wealthier regions with stronger economic bases have benefited more from decentralization, while poorer regions continue to face challenges in generating sufficient local revenues to fund development projects. Fiscal decentralization has shown diverse impacts on regional economic growth across Indonesia, with effectiveness varying by local governance capacity and resource allocation. Khamdana (2016) analyzed the effects of decentralization policies from 2008 to 2012, finding that decentralization positively influenced economic growth in regions with stronger fiscal management.

In NTB, fiscal decentralization has provided local governments with greater control over their resources. However, the region's economic disparities suggest that additional efforts are needed to optimize local resource management, particularly in underdeveloped districts. Effective fiscal management and strategic investment in key sectors will be crucial to ensure that all districts can benefit from decentralization.

Conclusion of the Literature Review

The literature clearly demonstrates that regional economic disparities in NTB can be addressed through a combination of methodologies, including the Williamson Index, Klassen Typology, Location Quotient, and Shift-Share analysis. These tools provide valuable insights into the economic structure of the region, helping to identify sectors and regions that require targeted interventions. Furthermore, fiscal decentralization can play a pivotal role in enhancing regional development, but it requires careful management and equitable resource distribution. For NTB, the challenge lies in leveraging these analytical tools and policy frameworks to design effective strategies that promote sustainable and inclusive economic growth across all districts and cities.

3. Methodology

This study adopts a quantitative descriptive approach to analyze economic disparities and sectoral development in West Nusa Tenggara (NTB) from 2018 to 2022. The research relies on secondary data from the Central Statistics Agency (Badan Pusat Statistik, BPS) and employs multiple analytical methods, including the Williamson Index, Klassen Typology, Location Quotient (LQ), and Shift-Share analysis.

Data Sources

The data used in this study primarily consists of secondary data obtained from BPS. The main dataset includes the Gross Regional Domestic Product (GRDP) at Constant Prices (GRDP ADHK) for NTB from 2018 to 2022, providing a comprehensive overview of the region's economic structure. The data also includes sectoral GRDP that break down economic contributions by industry, such as Agriculture, Mining, Trade, and other key sectors. Additionally, population data for NTB's districts and cities is used to calculate GRDP per capita, which is crucial for measuring economic disparities across the region. These data points serve as the foundation for applying various analytical methods.

Analytical Methods

Williamson Index the Williamson Index is utilized to measure the degree of economic inequality within NTB by assessing disparities in GRDP per capita across districts and cities. The formula for the Williamson Index is:

$$CVw = \frac{\sqrt{\sum_{i=1}^{n}(Yi - \bar{Y}) \cdot \frac{fi}{n}}}{\bar{Y}}$$

where:

CVw is the Williamson Index; Yi represents the GRDP per capita in district/city i; $\bar{Y}$ is the average GRDP per capita for NTB; $\overline{fi}$ is the population of district/city I; n is the number of districts/cities in NTB.

A higher Williamson Index value indicates greater economic inequality across regions, while a lower value signifies more balanced development. This measure helps to highlight regions in NTB that experience significant economic imbalances, providing policymakers with a quantitative understanding of inequality across districts and cities.

Klassen Typology The Klassen Typology is used to classify the districts and cities within NTB based on their growth rates and GRDP per capita, dividing them into four quadrants: (1) fast-growing and developed regions (high growth, high income), (2) developed but slow-growing regions (low growth, high income), (3) fast-growing but underdeveloped regions (high growth, low income), and (4) lagging regions (low growth, low income).

This classification helps in identifying which regions are advancing economically and which remain underdeveloped. The typology allows policymakers to determine where strategic interventions are most needed to foster regional development.

Location Quotient (LQ) The Location Quotient (LQ) method is applied to identify the base and non-base sectors within each district and city in NTB. The LQ compares the concentration of a specific sector's GRDP contribution at the local level to its contribution at the provincial level. The formula for calculating LQ is as follows:

$$LQ = \frac{VA\,ik/Vak}{VA\,ip/Vap}$$

where: $VA\,ik$ is the GRDP of sector iii in district/city k; Vak is the total GRDP of district/city k; $VA\,ip$ is the GRDP of sector iii at the provincial level; Vap is the total GRDP at the provincial level.

A sector is considered a base sector if its LQ is greater than or equal to 1, indicating that the sector contributes significantly to the local economy. Conversely, sectors with LQ values below 1 are categorized as non-base sectors. By identifying base sectors, the study highlights industries that have the potential to drive economic growth in specific regions, enabling targeted economic development strategies.

Shift-Share Analysis the Shift-Share Analysis method is employed to evaluate sectoral performance within NTB's districts and cities, comparing local sectoral growth with national economic trends. The analysis decomposes the growth of each sector into three components:

The National Growth Effect (Nij), which measures how much a sector's growth is influenced by the overall growth of the national economy.

The Industry Mix Effect (Mij), which determines whether the sector's growth in the region is faster or slower compared to the national sector growth.

The Regional Shift Effect (Cij), which assesses how much of the sector's growth is due to specific regional advantages.

The formula for calculating Shift-Share components is as follows:

Shift-Share Effect=KPP+KPPW

where:
KPP (Komponen Pertumbuhan Proporsional) is the Proportional Growth Component; KPPW (Komponen Pangsa Wilayah) is the Regional Share Growth Component.

This method helps to identify which sectors are growing due to national trends and which are driven by regional strengths, offering insights into the competitive advantages of NTB's economy.

Procedure

The analysis proceeds in several stages, starting with the calculation of the Williamson Index to provide a broad overview of economic inequality across NTB's districts and cities. This is followed by the application of the Klassen Typology, which classifies regions based on their development status, identifying fast-growing and lagging areas. Next, the Location Quotient (LQ) is computed to pinpoint the base sectors in each district and city, highlighting the industries that contribute most to regional economic growth. Finally, Shift-Share Analysis is conducted to evaluate sectoral performance relative to national trends, helping to assess the competitiveness of NTB's key sectors. These methods, collectively, offer a comprehensive assessment of NTB's economic structure and provide valuable insights for policymakers aiming to promote balanced regional development.

4. Results

The results of this study provide a comprehensive analysis of the economic disparities and sectoral performance across the districts and cities of West Nusa Tenggara (NTB) from 2018 to 2022. Each method—Williamson Index, Klassen Typology, Location Quotient (LQ), and Shift-Share Analysis—has revealed valuable insights into the distribution of economic development within the province.

Williamson Index

The calculation of the Williamson Index for NTB from 2018 to 2022 indicates a consistently high level of economic disparity across the region. The index values for the five-year period show that economic inequality remains a significant challenge, with the Index approaching a value close to 1. This indicates that certain districts and cities, particularly Mataram City and West Sumbawa Regency, are significantly more developed compared to others, such as North Lombok, which lag behind in terms of economic growth and per capita income. The Index also reflects that while there was a slight reduction in inequality in 2019, the overall trend from 2020 to 2022 shows an increase in economic disparity, exacerbated by the economic impacts of the COVID-19 pandemic.

Klassen Typology

The application of the Klassen Typology has resulted in the classification of NTB's districts and cities into four development quadrants, providing a clearer picture of the region's economic landscape. West Sumbawa Regency and Mataram City fall into Quadrant I, representing fast-growing and advanced regions with both high economic growth and high per capita income. These areas benefit from key sectors like mining in West Sumbawa and services in Mataram. In contrast, Quadrant IV includes districts such as North Lombok, West Lombok, and Central Lombok, which are categorized as lagging regions with both low growth and low income. These areas require targeted interventions to stimulate economic development and reduce disparities.

In addition, Quadrant II comprises developed but slow-growing regions, such as Sumbawa Regency and Dompu Regency, which have high per capita incomes but lower growth rates. These regions may face constraints in achieving further growth due to limited diversification in their economic activities. There were no districts or cities classified under Quadrant III (fast-growing but underdeveloped regions), which highlights the challenge of achieving both rapid growth and equitable development in NTB.

Location Quotient (LQ)

The Location Quotient (LQ) analysis has identified the key base sectors in each district and city across NTB. The results show significant sectoral specialization in certain areas. In West Sumbawa Regency, the Mining and Quarrying sector has an LQ value greater than 1, confirming it as a base sector that dominates the local economy, particularly due to the presence of copper and gold mining operations. Meanwhile, in Mataram City, sectors like Wholesale and Retail Trade and Real Estate are identified as key base sectors, contributing significantly to the local economy.

In contrast, districts like North Lombok and Central Lombok exhibit lower LQ values across most sectors, indicating a lack of strong base sectors. These regions rely more heavily on agriculture, forestry, and fisheries, but the LQ analysis shows that these sectors are not sufficiently developed to serve as robust drivers of economic growth. This underscores the need for policies aimed at diversifying these economies and strengthening potential growth sectors.

Shift-Share Analysis

The Shift-Share analysis provides deeper insights into the sectoral performance of NTB's economy relative to national trends. The analysis reveals that the Mining sector in West Sumbawa Regency has experienced significant growth, largely driven by regional advantages, as evidenced by a positive Regional Shift Effect (Cij). This suggests that the mining sector in this region is not only benefiting from national growth trends but is also bolstered by local competitive advantages, such as natural resource endowments.

On the other hand, sectors such as Agriculture in districts like North Lombok and West Lombok exhibit negative Regional Shift Effects, indicating that these sectors are underperforming relative to national trends. The negative Industry Mix Effect in these areas also suggests that the sectors' structure is not aligned with fast-growing industries at the national level, further highlighting the need for sectoral restructuring and investment to enhance productivity and competitiveness.

Moreover, the Tourism sector in Mataram City, which showed promise in the pre-pandemic period, faced significant declines during the pandemic, as reflected in the negative growth across 2020. However, post-pandemic recovery efforts have shown signs of improvement, particularly with positive trends emerging in 2022, supported by regional initiatives to boost tourism and hospitality industries. The analysis suggests that with sustained support, this sector could regain its momentum and once again contribute substantially to Mataram's economy.

Summary of Findings

Economic Inequality: The Williamson Index reveals persistent and high levels of economic disparity across NTB, with some areas benefiting from economic development while others remain significantly underdeveloped.

Regional Classification: The Klassen Typology classifies Mataram City and West Sumbawa Regency as the most advanced regions, while North Lombok and West Lombok remain economically lagging.

Sectoral Specialization: LQ analysis identifies Mining in West Sumbawa and Trade in Mataram as key base sectors, while most other districts lack strong economic drivers.

Sectoral Performance: Shift-Share analysis shows that while some sectors like Mining in West Sumbawa are performing well, other sectors such as Agriculture in North Lombok are underperforming relative to national trends.

These findings provide a comprehensive understanding of NTB's regional economic disparities and highlight the need for targeted policies to foster more balanced development across districts. Policymakers are encouraged to focus on strengthening base sectors in lagging regions, diversifying local economies, and investing in underperforming sectors to promote equitable growth across NTB.

5. Discussion

The results of this study highlight the significant regional economic disparities that exist across the districts and cities of West Nusa Tenggara (NTB) from 2018 to 2022. These findings reveal not only the uneven distribution of wealth and resources but also differences in sectoral performance that reflect deeper structural challenges. The following discussion will focus on interpreting these results and their implications for future regional development strategies.

Persistent Regional Disparities

The calculation of the Williamson Index indicates that NTB continues to face substantial economic inequality, with some regions—particularly Mataram City and West Sumbawa Regency—showing much higher levels of development compared to other districts such as North Lombok and West Lombok. These findings are consistent with previous studies, which have shown that urban centers and resource-rich areas often develop more rapidly than rural or less industrialized regions (Blakely, 1994). The fact that the Williamson Index remains close to 1 suggests that economic disparities have not only persisted but also worsened during the COVID-19 pandemic. This calls for a more concerted policy effort to address these inequalities and promote more inclusive economic growth.

The concentration of development in Mataram City and West Sumbawa can be attributed to their reliance on sectors such as trade, services, and mining, which have traditionally driven higher levels of income and growth. However, the lagging development of other districts, particularly those dependent on agriculture and forestry, raises concerns about the province's overall economic resilience. As a result, the economic structure of NTB appears to be unbalanced, with certain sectors and regions shouldering the majority of economic growth, leaving others behind.

Sectoral Performance and Base Sectors

The Location Quotient (LQ) analysis further highlights the disparity between districts by identifying key sectors that act as economic drivers in different areas. Mining in West Sumbawa, for example, is clearly a dominant sector, with an LQ value above 1, making it a base sector that significantly contributes to the region's economy. Similarly, trade and real estate in Mataram City play important roles in driving local growth. These sectors are crucial for sustaining the economic momentum in these regions and should continue to receive targeted investment to maximize their contribution to provincial growth.

In contrast, districts such as North Lombok and Central Lombok lack strong base sectors, as indicated by their LQ values. This finding is concerning because without robust economic drivers, these areas are likely to remain stagnant in terms of growth. The dependence on traditional sectors like agriculture, forestry, and fisheries—combined with their low LQ values—suggests that these sectors are not performing well enough to lift these regions out of underdevelopment. This reinforces the need for economic diversification in these areas. Policymakers should focus on developing other potential growth sectors, such as tourism or small-scale manufacturing, to provide alternative sources of income and reduce dependency on underperforming industries.

The Impact of COVID-19 on Sectoral Growth

The Shift-Share analysis offers important insights into how different sectors across NTB performed in relation to national trends. The COVID-19 pandemic had a profound impact on regional economies, and NTB was no exception. Sectors such as tourism, which had been a key contributor to Mataram City's economy before the pandemic, experienced significant setbacks during the crisis. However, the post-pandemic recovery shows positive trends in 2022, particularly in the hospitality and service industries, suggesting that with continued support, these sectors may regain their pre-pandemic growth trajectory.

Conversely, the analysis indicates that the agriculture sector in districts like North Lombok and West Lombok is underperforming compared to the national average. The negative Regional Shift Effect (Cij) suggests that these regions are not capitalizing on their comparative advantages, which may stem from outdated practices, lack of infrastructure, or insufficient investment. Infrastructure development is crucial for minimizing economic inequalities between regions, as improved connectivity and facilities can promote equitable growth. Sukwika (2018) demonstrated that targeted infrastructure projects help address inter-regional economic disparities in Indonesia, fostering a more balanced economic environment. Given the centrality of agriculture to these districts, it is crucial that the provincial government prioritizes modernizing this sector through technological upgrades, improved supply chain management, and better access to markets. Supporting agricultural productivity would not only boost local incomes but also enhance food security across NTB.

Policy Implications

The results of this study suggest several important policy implications for promoting more balanced economic development across NTB. First, addressing regional disparities should be a priority. This can be achieved through targeted investment in infrastructure, education, and healthcare in underdeveloped regions, particularly North Lombok, West Lombok, and Central Lombok. By improving the quality of life and access to resources in these areas, the government can create the conditions necessary for economic growth.

Second, the government should focus on economic diversification, especially in districts that lack strong base sectors. Expanding beyond traditional sectors like agriculture and fisheries is essential for fostering economic resilience. In this regard, tourism presents a promising opportunity, particularly as the industry begins to recover from the impacts of the COVID-19 pandemic. NTB's natural beauty, cultural heritage, and proximity to Bali make it an attractive destination for both domestic and international tourists. With proper investment and marketing, tourism could become a significant driver of economic growth in regions like North Lombok.

Third, it is crucial to continue supporting base sectors in high-performing regions, such as mining in West Sumbawa and trade in Mataram City. These sectors not only contribute significantly to the local economy but also provide a solid foundation for further regional development. However, it is important to ensure that the benefits of growth in these sectors are distributed more equitably, particularly by creating more linkages between these industries and the local population, such as through skills training, local sourcing, and infrastructure development.

The Need for Sustainable Development Strategies

Finally, sustainability should be at the forefront of regional development strategies. NTB's dependence on sectors like mining raises concerns about environmental degradation and the long-term viability of these industries. Sustainable practices should be integrated into development plans to ensure that economic growth does not come at the cost of the environment. This includes promoting eco-friendly tourism, adopting sustainable agricultural practices, and ensuring responsible mining operations.

The findings from this study underscore the importance of addressing regional economic disparities in NTB and promoting sectoral diversification. While districts like Mataram City and West Sumbawa have experienced significant growth, other regions remain underdeveloped, largely due to their reliance on underperforming sectors like agriculture. By investing in infrastructure, promoting economic diversification, and supporting key sectors, NTB can achieve more balanced and sustainable economic development. The results of this study provide valuable insights for policymakers and offer a roadmap for fostering equitable growth across the province.

6. Conclusion

This study has provided a comprehensive analysis of regional economic disparities and sectoral performance across the districts and cities of West Nusa Tenggara (NTB) from 2018 to 2022. The findings reveal significant and persistent inequalities in economic development, with certain regions like Mataram City and West Sumbawa Regency benefiting from high growth and robust economic drivers, while others, such as North Lombok and Central Lombok, remain economically stagnant. The analysis, using methods such as the Williamson Index, Klassen Typology, Location Quotient (LQ), and Shift-Share, has highlighted the stark contrasts between well-developed and underdeveloped regions within NTB.

The Williamson Index confirms the presence of high economic inequality, which has worsened during the COVID-19 pandemic. Klassen Typology further classifies the regions, showing that while some districts thrive due to their diversified economies, others are heavily reliant on traditional sectors like agriculture, which are underperforming. The LQ analysis identifies key base sectors such as Mining in West Sumbawa and Trade in Mataram, while other regions lack strong economic drivers, limiting their potential for growth. The Shift-Share analysis shows that local competitive advantages exist in certain sectors, particularly mining, but highlights the challenges faced by agricultural districts that are not aligned with national growth trends.

To address these disparities, the province must focus on several key strategies. First, it is crucial to promote inclusive growth by targeting underdeveloped regions with investments in infrastructure, education, and healthcare. Second, the government should encourage economic diversification, particularly in regions that currently lack strong base sectors, by fostering new industries such as tourism and small-scale manufacturing. Finally, continued support for base sectors in high-performing regions, coupled with efforts to spread the benefits of growth to other areas, will be essential for achieving sustainable and balanced development.

In conclusion, while NTB has areas of strong economic performance, there is a pressing need for targeted development policies to reduce regional disparities and support underdeveloped regions. By addressing the structural weaknesses in lagging areas and promoting diversification, NTB can achieve more equitable and resilient economic growth across all districts and cities.

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