

# ANALYSIS OF TOURISM COMPETITIVENESS POTENTIAL IN LABOUR ABSORPTION IN WEST SUMATRA

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## Abstract

*This study aims to determine the competitiveness of tourism sector employment in West Sumatra Province and to determine how much the ability of the tourism sector in creating employment opportunities due to national economic growth. The data used is secondary data sourced from BPS West Sumatra Province. The method used in the research is Shift-Share Analysis and Locatio Quotient (LQ) analysis. This study concludes that the tourism sector of West Sumatra Province is able to create employment opportunities due to the growth of employment opportunities in national, which is indicated by the large number of employment in the tourism sector. The growth of the tourism sector in West Sumatra Province will affect the total growth of the tourism sector in Indonesia. Which shows a positive value means that there is growth in the in the sector due to the influence of the growth of the reference region sector. The West Sumatra Province tourism sector has good growth by having a competitive advantage but not specialised. The development of West Sumatra province must be done by spurring the performance of the tourism sector so that it can grow rapidly and make a large contribution to GRDP growth and employment.*

**Keywords:** labour absorption, location quotient (LQ, shift share, tourism competitiveness

## INTRODUCTION

The tourism sector in Indonesia is one of the service economic sectors that has bright prospects. However, until now, this sector has not played the role expected in the development process in Indonesia. To increase the role of tourism, the tourism sector is given priority in its development (Azzahra & Sujali, 2013). The tourism sector plays an important role in the Indonesian economy, both as a source of foreign exchange earnings and as a creator of employment and business opportunities.

The tourism sector, one of which is formed through the trade, hotel, and restaurant sectors, has a significant positive contribution to state revenue. The government's role in the form of regulations and policies in tourism development efforts in Indonesia's economic development plan, namely RPJMN 2015-2019, shows that the government has realized the great benefits provided by the tourism sector (Aliah & Hadiano, 2016).

In its activities, the tourism industry involves several sectors, such as the economic, social, cultural, political, security, and environmental sectors (Wijaksono, Subagiarta, & Hanim, 2015). Tourism itself is a service industry that has a complex regulatory mechanism because it includes regulating the movement of tourists from the area or country of origin to the tourist destination and returning to their home country, involving various components such as travel agencies, guides, tour operators, accommodation, restaurants, art shops, moneychangers, transportation, and others. Tourism also offers types of history, artificial tourism, and various special interest tours. According to Salah Wahab in his book "Tourism Management," tourism is one of the new types of industries

capable of generating rapid economic growth in the provision of employment, raising living standards, and stimulating other productivity sectors. Furthermore, as a complex sector, it also includes actual classical industries such as the handicraft industry and souvenirs. Lodging and transport are also economically viewed as industries (Rahma & Handayani, 2013).

Tourism development has an important role in increasing employment, encouraging equitable business opportunities, encouraging equitable national development, contributing to state foreign exchange earnings generated from the number of foreign tourist visits, as well as playing a role in alleviating poverty, which will ultimately improve people's welfare. Labor demand is related to the amount of labor needed by companies or agencies, where the factors that affect the absorption of labor are the wage rate, production value, investment value, and other factors. Other factors that are more individualistic but also greatly affect the absorption of labor are factors of expertise and experience, age factors, gender factors, and education factors (Wahyudi, Suswandi, & Somaji, 2019).

One of the objectives of tourism development is to increase the country's foreign exchange earnings and community income, expand employment opportunities, and encourage other industrial activities. For this reason, a development concept regarding environmentally sound tourism is needed that not only preserves nature but can also prosper the surrounding community. Then the concept that can be developed is ecotourism. Ecotourism can be developed if there is a clear division of territory so that not only the implementation of nature tourism but also elements of environmental conservation can be done. Ecotourism not only plays a role as tourism but can also be done through education, protection, research, and conservation (Yoeti & Gunadi, 2013).

Tourism can be considered a competitive product when tourist destinations offer competitive attractions in terms of quality compared to products and services from other tourist destinations. Competitiveness in the tourism sector includes the ability of destinations to attract visitors both from within the country and abroad who visit certain destinations. Increased competitiveness can be achieved by optimizing existing resources and improving management capabilities so as to create strong competitiveness (Grant, 1991).

When the competitiveness of tourist destinations increases, the number of tourists visiting also tends to increase. The tourism industry also contributes revenue to the government through various types of taxes, such as hotel and restaurant taxes, entertainment taxes, parking taxes, accommodation taxes, and other taxes. In addition, the tourism industry also encourages investment in infrastructure in tourist destinations, such as road improvements, maintenance of museums, monuments, tourist areas, and the development of shopping centers.

Labor demand is related to the amount of labor required by a company or agency, where the factors affecting the absorption of labor are the wage rate, production value, investment value, and other factors. Other factors that are more individualistic but also greatly affect the absorption of labor are factors of expertise and experience, age factors, gender factors, and education factors (Wahyudi et al., 2019).

The development of the tourism industry is one of the instruments that has the potential to absorb labor. The tourism industry itself is one of the highest job creators because it requires a variety of skills and opens up opportunities for young workers, women, and migrants to enter quickly into the world of work (Faris & Bassam, 2018).

West Sumatra's tourism potential is abundant, with a wealth of natural charm and cultural heritage. The people of West Sumatra, who are famous for their hospitality and eastern cultural values, are the main attraction in supporting the tourism sector. West Sumatra has earned a position as one of the leading tourist destinations in Indonesia, located in the west-central part of the island of Sumatra. The region showcases the beauty of the lowlands along the west coast and the volcanic highlands formed by the Bukit Barisan range, stretching from northwest to southeast. West Sumatra is an ideal place to explore the beauty of the hinterland, from the beauty of the outdoors to wildlife, islands, beaches, and tropical rainforests. Therefore, West Sumatra is recognized as one of the provinces in Indonesia that is rich in biodiversity and stunning natural beauty.

Wahyudi et.al (2019) stated that the tourism sector of Banyuwangi Regency is able to create employment opportunities due to the growth of employment opportunities in the tourism sector. The growth of the tourism sector in Banyuwangi Regency will affect the total growth of the tourism sector in East Java Province. In addition, Özer, Latif, Sarıışık and Ergün, (2012), he identified the differences between the Turkish and Spanish tourism industries using M. Porter's Diamond Model to explain the indicators of differences in the performance of the two countries in the world tourism market competition. The results of the study found significant similarities and differences between the two countries. In the context of the sub-parameters that determine competition in the diamond model, Spain was found to have a more competitive position in general. The results of the comparison with Turkey also support this.

With the development of the tourism sector, the social conditions of the community have also improved. The tourism sector can make a positive contribution to the community's economy with the emergence of micro, small, and medium enterprises (MSMEs) that focus on tourism, such as the sale of souvenirs typical of tourist areas. This development plays a role in improving the social conditions of the community, along with the opening of new business opportunities. Several factors that influence the increase in the absorption of tourism workers can be seen from the increase in foreign tourist arrivals.

Wiweka, Wachyuni, Adnyana, and Safitri, (2020) found that the tourism sector has a positive impact on the quality of economic development through several things, including for the development of the quality of economic development through several things, including its impact through the opening of wider employment opportunities and contributing to foreign exchange. Contribution to the country's foreign exchange. However, in addition to these positive impacts, there are several negative impacts that need to be considered, including the type of work that is seasonal. To be considered, including seasonal types of work, resource dislocation and income inequality. income inequality. Therefore, it is important for every region that has tourism potential to be able to maintain the quality of service and management. Tourism potential to be able to maintain the quality of service and good infrastructure management to attract tourists to travel to the area in order to attract tourists to travel to the area.

Different from previous research, research conducted by Nyoman, Darsini and Darsana (2014) this study was conducted to determine the simultaneous and partial effect of tourist visits on business employment. Between tourist visits to the employment of artshop businesses in the Nusa Dua area. Nusa Dua area. In his research it was found that tourist visits had no effect on the absorption of artshop business labor.

Based on the research background, it can be seen that West Sumatra Province has considerable tourism potential to be developed. This is important to do because by paying attention to the indicators that determine the competitiveness of the tourism sector, the

strengths and weaknesses of the region can be assessed in developing the tourism sector as one of the potential sources of economic growth. This study aims to determine the competitiveness of tourism sector employment in West Sumatra Province and the ability of the tourism sector to create employment opportunities due to national economic growth. The results of this study can also be a reference for the government in making policies related to the development of tourism in West Sumatra. In addition, through this research it can also be a basis for the government in creating jobs through the tourism sector.

## LITERATURE REVIEW

A regional planner must have the skills to analyze the economic potential of the region. This relates to his responsibility to, on the one hand, determine the sectors that need to be developed to spur regional economic growth, and on the other hand, to identify the factors that lead to low potential in a particular sector and determine whether addressing these weaknesses is a priority. After the granting of regional autonomy, each region has greater freedom in determining the sectors to be prioritized for development. In this context, the ability of local governments to understand the sectors that have advantages and weaknesses in their region becomes increasingly crucial. Sectors that have advantages tend to have better prospects for development, which in turn will encourage the development of other sectors (Tarigan, Effendi, & Amelia, 2021).

According to Ristek-BRIN (2020), regional competitiveness is the ability of the regional economy to achieve high and sustainable welfare growth while remaining open to competition with other neighboring provinces and districts or cities, nationally or internationally, consisting of regional economic capabilities, regional facilities or infrastructure, investment climate, and human resources. Competitiveness is a comparative concept of the ability and achievement of a company, subsector, or country to produce, sell, and provide goods and services to the market.

Competitiveness can be applied in a market context, which refers to a perfectly competitive market. In addition, the concept of competitiveness can also be applied to a commodity, sector, field, or region of the country. Competitiveness is a concept that reflects the ability of a producer to produce a commodity with adequate quality and low production costs. Thus, the producer can produce and market his commodity at a competitive price in the international market while still earning enough profit to keep his production costs sustainable.

The approach that is often used to measure competitiveness is seen in several indicators, namely absolute advantage, comparative advantage, and competitive advantage (Wardani & Mulatsih, 2018), (a) **Absolute Advantage**, according to Adam Smith's theory, trade between two countries is based on absolute advantage. If a country is more efficient in producing a commodity than another country, then both countries can benefit by each specializing in producing another commodity that has an absolute disadvantage. Absolute advantage is the advantage that a country or region has over another country or region in producing a product due to the advantages it has that the other country or region does not have, for example, abundant and cheap labor and natural resources; (b) **Comparative Advantage**, meanwhile, comparative advantage, according to Tarigan, et.al (2021) is when a commodity is relatively superior to other commodities in the region. The definition of superior in this case is in the form of comparison and not in the form of real added value. In other words, comparative advantage is an economic

activity that is comparatively more favorable for regional development. Knowledge of the comparative advantage of a region can be used by policymakers to encourage changes in the structure of the regional economy towards sectors that contain comparative advantages. So, if the sector that has a comparative advantage for a region is known in advance, the development of that sector can be accelerated without waiting for the pressure of market mechanisms that often run slowly. However, comparative advantage has limitations as a static concept based on ownership of factors of production that are assumed to provide a decreasing rate of return and the same level of technology across countries;(c) **Competitive Advantage**, Competitive advantage is an advantage that can be developed, this advantage must be created in order to have it. So, the competitive advantage of a commodity or economic sector is formed by its performance so that it can excel over other commodities or economic sectors.

Based on the literature review above, hypotheses can be drawn, which are (1) West Sumatra tourism sector is able to create jobs; (2) West Sumatra tourism sector is able to compete in tourism with other regions; (3) West Sumatra tourism sector is a basic sector or superior sector.

## **RESEARCH METHOD**

This study analyzes the competitiveness of the tourism sector on labor absorption in West Sumatra Province. The type of research used is descriptive-quantitative, namely research that describes the economic structure that is the basis for the present and the future. This research is focused on tourism in West Sumatra Province. The data used in this study are the gross regional domestic product of West Sumatra province and the labor force data of West Sumatra province. the data used is sourced from the Badan Pusat Statistik of West Sumatra province. This research was conducted in West Sumatra Province with a period of 2018–2022, taking into consideration that, so far, the tourism subsector has played an important role in the economy of West Sumatra Province. The selection of the time period is based on the completeness of the available data, based on the author's consideration of the complete available data from 2018-2022. The unit of analysis used in this study is the tourism sector, which includes the wholesale and retail trade sector, transportation, and accommodation provision that can be developed in order to increase employment and economic growth in West Sumatra Province.

### **Esteban Marquillas Shift Shares Analysis**

In shift share analysis, economic change is determined by three components, as follows.

#### **Regional Share (Nij)**

It is the change in production or employment opportunities of a region caused by changes in national production or employment opportunities, changes in national economic policy, or changes in matters affecting the economy of all sectors and regions, such as devaluation, inflationary tendencies, unemployment, and taxation policy.

#### **Proportional Shift (Mij)**

The component of regional economic growth is caused by a good regional economic structure, i.e., specializing in fast-growing sectors such as the industrial sector.

### Differential Shift (Cij)

Component of regional economic growth due to specific competitive conditions. This growth element is a regional competitive advantage that can encourage regional export growth.

The first rarity in calculating shift share is measuring the change in PDRB value of sector i in region j with the following formula:

$$D_{ij} = N_{ij} + M_{ij} + C_{ij} \dots\dots\dots (1)$$

$$N_{ij} = E_{ij} \cdot r_n \dots\dots\dots (2)$$

$$M_{ij} = E_{ij} (r_{in} - r_n) \dots\dots\dots (3)$$

$$C_{ij} = E_{ij} (r_{ij} - r_{in}) \dots\dots\dots (4)$$

Based on the above equation,  $r_{ij}$  represents the growth of sector/subsector i in region j, while  $r_n$  and  $r_{in}$  are the national aggregate growth rate and the growth of sector/subsector i nationally, which can be defined as follows:

$$r_{ij} = (E^*_{ij} - E_{ij})/E_{ij} \dots\dots\dots (5)$$

$$r_{in} = (E^*_{in} - E_{in})/E_{in} \dots\dots\dots (6)$$

$$r_n = (E^*_n - E_n)/E_n \dots\dots\dots (7)$$

Description:

$D_{ij}$  : change in output variable of sector I in region j

$N_{ij}$  : national economic growth

$M_{ij}$  : industrial mix of sector I in region j

$C_{ij}$  : competitive advantage of sector I in region j

$E_{ij}$  : income of sector I in region j

$E_{ij}$  : income of sector I in region j (province)

$E_{in}$  : income of sector I in region n (national)

$E_n$  : income of region n (national)

$E^*_{ij}$  : last year income

$r_{ij}$  : growth rate of sector I in region j (province)

$r_{in}$  : growth rate of sector I in region n (national)

$r_n$  : income growth rate in region n (national)

Based on the above equation, the shift share equation for sector i in region j is known:

$$D_{ij} = E_{ij} \cdot r_n + E_{ij} (r_{in} - r_n) + E_{ij} (r_{ij} - r_{in}) \dots\dots\dots (8)$$

The Esteban Marquillas shift share analysis is a modification of the classic shift share analysis. These modifications include redefining competitive position or advantage as the third component of the above shift share technique and creating a fourth shift share component, namely the allocation effect. The Esteban Marquillas shift share analysis contains a new element notated  $E^*_{ij}$ , defined as a regional variable that can be formulated as:

$$E^*_{ij} = E_{ij} \cdot (E_{in} / E_n) \dots\dots\dots (9)$$

To measure the competitive advantage and disadvantage in sector i in regional economy j with the formula :

$$C^*_{ij} = E^*_{ij} (r_{ij} - r_{in}) \dots\dots\dots (10)$$

Description:

$C^*_{ij}$  : Measure of advantage and disadvantage

$E^*_{ij}$  : Labour absorption in sector i in region j

$R_{ij}$  : growth rate of sector i in region j

$R_{in}$  : growth rate of sector i at level n

To determine the allocation effect, the formula can be used:

$$A_{ij} = (E_{ij} - E^*_{ij}) (r_{ij} - r_{in}) \dots\dots\dots(11)$$

Description:

$(E_{ij} - E^*_{ij})$  : describes the level of specialisation of sector i in region j, if  $r_{ij} > r_{in}$

$(r_{ij} - r_{in})$  : describes the level of competitive advantage of sector i in region j.

Based on the description above, it can be concluded that  $A_{ij}$  as an allocation effect can be seen in two parts, namely the specialisation of sector i in region j  $(E_{ij} - E^*_{ij})$  multiplied by the competitive advantage  $(r_{ij} - r_{in})$ .

### Location Quotient (LQ) Analysis

The measures used as indicators of competitiveness in this study are value added, employment, profitability, productivity, and efficiency in the use of inputs or cost efficiency. However, the method that is often used to determine industries that have high competitiveness (superior) is LQ analysis based on the output produced (Zuliasri, Rindayati, & Asmara, 2018). The formula for calculating LQ is as follows:

$$LQ = \frac{P_i / p_t}{P_i^* / p_t^*}$$

Description:

$P_i$  : PDRB of activity variable i in West Sumatra Province

$P_t$  : PDRB of activity variable in West Sumatera Province

$P_i^*$  : PDRB of all variables i in Indonesia

$P_t^*$  : PDRB of all variables in Indonesia

If the calculation results in an LQ value  $> 1$ , then the industry is classified as a superior (base) sector. This indicates that the output share of the leading industry at the provincial level is greater than at the national level. Conversely, if the LQ value is  $< 1$ , then the industry is not classified as a leading sector (non-base).

## RESULTS AND DISCUSSION

The results of the Esteban Marquillas Shift Share calculation of West Sumatra Province in 2018-2022 (Table 1) show that  $N_{ij}$  has the highest labor absorption in the Agriculture, Forestry, and Fisheries sector, which is 40.029.  $M_{ij}$ , the highest labor absorption in the construction sector is 23.953. The sector with the highest labor absorption is the other services sector, which is 22.013. The highest labor absorption is in the accommodation and food and beverage sector, which is 956. While the  $D_{ij}$  of labor absorption is the highest in agriculture, forestry, and the fishery sector, which is 94.573.

The ability of labor absorption in the tourism sector in West Sumatra Province is 92.792. The result shows a positive value, which means that the growth in the tourism sector increases employment and absorbs more labor. There are several benefits obtained from the development of the tourism industry, one of which is building the economic sector in the tourism area. The development of the tourism industry creates a multiplier effect, namely the addition of the number of tourist attractions and tourist businesses, so that it requires more labor to meet the demand from the tourism sector. The tourism industry is a field of business that jointly produces products and services that will be needed directly or indirectly by tourists (Maria, 2016).

**Table 1. Average Results of Esteban Marquillas Shift Share Analysis**

No	Business Field	Nij	Mij	Cij	Aij	Dij
1	Agriculture, Forestry, and Fisheries	40.029	-21.631	76.175	-8.524	94.573
2	Mining and Quarrying	1.972	3.815	-9.087	-720	-3.300
3	Processing Industry	1.280	-4.432	7.856	-496	13.705
4	Electricity and Gas Procurement; Water Procurement; Garbage, Waste, and Recycling Management	690	187	-2.877	-394	-1.999
5	Construction	7.190	13.741	-54.746	-12.195	-33.815
6	Wholesale and Retail Trade; Car and Motorcycle Repair	22.440	15.094	31.994	-4.695	69.527
7	Transport and Warehousing	4.264	4.936	-10.134	-105	-934
8	Accommodation and food services	8.842	23.953	-6.893	956	25.902
9	Information and Communication	743	635	1.336	-231	2.715
10	Finance and Insurance, Real Estate	1.056	-1.299	2.668	-290	2.425
11	Corporate Services	1.691	5.802	-10.468	-872	-2.974
12	Public Administration, Defence and Compulsory Social Security	6.113	-25.509	12.924	648	-6.472
13	Educational Services	6.927	-2,104	18.610	-2.981	23.433
14	Health and Social Activities Services	2.253	5.584	-380	60	7.457
15	Other Services	2.983	-7,479	22.013	-6.123	17.516
	Total	117.47	11.192	78.994	-35.962	207.759
		3				
	Tourism	35.546	42.217	14.967	-2.107	92.729

Source: Results of Labour Data Processing of West Sumatra Province and National Labour in 2018-2022.

These results are in line with research conducted by Murray, Elliot, Simmonds, Madeley, and Taller, (2017) which states that the amount of demand for restaurant and hotel accommodation affects employment in the tourism sector. The study discusses that the tourism sector in Canada has a very high demand, so industries based on the service sector continue to grow following the tourism demand. The expansion of the restaurant and hotel industries has significantly increased employment, and in addition, the development of human resources is highly prioritized by related parties in order to maintain the quality of output produced by the sector.

This research is also the same as Keynes' theory asserts that an economy based on market forces leads to the creation of economic equilibrium and sustainability. Through such equilibrium, economic activity directly increases people's purchasing power and increases their consumption of the goods and services produced. On the other hand, the classical view also assumes that the equilibrium factors of production, including workers, have been fully utilized. This means that unemployment does not occur due to the market mechanism. Even if some people are not working, they will be willing to work in industries that pay lower wages than not making any money at all. Employers will hire



more workers if lower-wage workers are available. The use of labor is always correlated with the reaction of the industry. Labor-intensive industries will choose to hire more workers. In contrast to capital-intensive industries, which employ a small number of people because most of the production process uses machines as a production factor (Nugroho, 2020).

Based on the results of the Esteban Marquillas Shift Share analysis of West Sumatra Province (Table 2), it shows that the tourism sector in West Sumatra Province, which includes the wholesale and retail trade sector, accommodation provision, transportation, and warehousing, has not been able to compete and create new jobs. It can be seen from the tourism sector that it has not been able to provide specialization.

**Table 2. Calculation Results of Esteban Marquillas Shift Share Analysis in West Sumatra Province**

No	Business Field	$r_{ij}-r_{in}$	$E_{ij} - E_{ij}^*$	Competitive Advantage	Specialities
1	Agriculture, Forestry, and Fisheries	0.090	-94,573	Available	Not available
2	Mining and Quarrying	-0,218	3,300	Not available	Available
3	Processing Industry	0,036	-13,705	Available	Not available
4	Electricity and Gas Procurement; Water Procurement; Garbage, Waste, and Recycling Management	-0,197	1,999	Not available	Available
5	Construction	-0,361	33,815	Not available	Available
6	Wholesale and Retail Trade; Car and Motorcycle Repair	0,068	-69,527	Available	Not available
7	Transport and Warehousing	-0,113	934	Not available	Available
8	Accommodation and food services	-0,037	-25,902	Not available	Not available
9	Information and Communication	0,085	-2,715	Available	Not available
10	Finance and Insurance, Real Estate	0,120	-2,425	Available	Not available
11	Corporate Services	-0,293	2,974	Not available	Available
12	Public Administration, Defence and Compulsory Social Security	0,100	6,472	Available	Available
13	Educational Services	0,127	-23,433	Available	Not available
14	Health and Social Activities Services	-0,008	-7,457	Not available	Not available
15	Other Services	0,350	-17,516	Available	Not available
	Total	-0,251	-207,579	-	-
	Tourism	0,223	-94,495	Available	Not available

Source: Results of Labour Data Processing of West Sumatra Province and National Labour in 2018-2022.

West Sumatra tourism has not been able to compete due to several factors. First, West Sumatra tourism objects are still not managed by the government. Tourist attractions have been visited by tourists, but the condition of the infrastructure is still quite low because it is still managed independently by the local population. Second, the West Sumatra tourism accommodation sector does not yet have a competitive advantage and is not yet specialized. This means that tourist accommodation is not yet adequate to be used as a tourist attraction.

The development of priority sectors can be done through investment and the improvement of human resources in the sector. Specialization in the economy is quite important for the economic growth of a region. It is said that if a region specializes in certain sectors, the region will have a competitive advantage from the sector specialization (Dogan & Zhang, 2023).

This research is in line with research conducted by Miswanto (2018) which states that the tourism sector in Teluk Bakau Village, Gunung Kijang District, is still unable to compete in the tourism sector, both on a local, national, and international scale. The high level of development of tourism accommodation businesses with a very limited amount of land. This limitation does not necessarily stop development and even results in a higher level of conversion that threatens the existence of green open spaces, which also affects other areas such as Teluk Bakau Village and Gunung Kijang District. In addition, there is a lack of human resources available, especially in Teluk Bakau Village, Gunung Kijang District.

**Table 3. Location Quotient (LQ) Calculation Result of West Sumatera Province**

No	Business Field	Year					Average LQ
		2018	2019	2020	2021	2022	
1	Agriculture, Forestry, and Fisheries	1.78	1.76	1.74	1.76	1.79	1.77
2	Mining and Quarrying	0.54	0.56	0.56	0.53	0.53	0.54
3	Processing Industry	0.48	0.45	0.46	0.46	0.45	0.46
4	Electricity and Gas Procurement	0.10	0.10	0.10	0.10	0.09	0.10
5	Water Procurement, Waste Management, Waste Management, and Recycling	1.21	1.20	1.13	1.14	1.16	1.17
6	Construction	0.91	0.94	0.94	0.93	0.95	0.93
7	Wholesale and Retail Trade; Car and Motorcycle Repair	1.20	1.23	1.26	1.27	1.28	1.25
8	Transport and Warehousing	2.92	2.87	2.82	2.82	2.51	2.79
9	Accommodation and Food Supply	0.37	0.38	0.35	0.36	0.38	0.37
10	Information and Communication	1.38	1.37	1.36	1.36	1.36	1.37
11	Finance and Insurance	0.71	0.68	0.67	0.72	0.74	0.71
12	Real Estate	0.67	0.68	0.66	0.66	0.69	0.67
13	Corporate Services	0.24	0.24	0.24	0.24	0.24	0.24
14	Public Administration, Defence and Compulsory Social Security	1.67	1.71	1.69	1.72	1.70	1.70
15	Educational Services	1.26	1.28	1.31	1.34	1.41	1.32
16	Health and Social Activities Services	1.25	1.24	1.20	1.16	1.19	1.21
17	Other services	0.99	0.96	0.90	0.94	0.97	0.95
	Tourism	1.45	1.42	1.43	1.39	1.40	1.13

Source: Results of Labour Data Processing of West Sumatra Province and National Labour Force 2018-2022.

The results of the location quotient calculation (Table 3) show that not all sectors can become leading sectors. There are only a few sectors that are able to become leading sectors with the criteria to get a value > 1. Among them is the agricultural sector, which gets an LQ value of 1.77%, or LQ > 1. For the tourism sector, it gets an LQ value of 1.13%. The tourism sector is a basic or leading sector in West Sumatra Province that has

the potential to be developed and become a driver of economic growth in West Sumatra Province.

## CONCLUSION AND SUGGESTION

Based on the result of the Esteban Marquillas shift share analysis, the West Sumatra tourism sector has a positive relationship with labor absorption. An increase in tourism sector growth can increase labor absorption. Based on the result of Esteban Marquillas Shift Share, the West Sumatra tourism sector has a competitive advantage but is not unspecialized. This means that the West Sumatra tourism sector has not been able to compete. Based on the results of location quotient (LQ) analysis, the West Sumatra tourism sector is a base sector or superior sector.

The development of West Sumatra province should be done by spurring the performance of the tourism sector to be able to grow fast and make a major contribution to the growth of GRDP. Some places have the potential to become tourist attractions but have not received a touch from the government. So far, even though these potential objects have been visited by several tourists, the infrastructure conditions are still very low because they are only managed independently by local residents. In this case, the government needs to immediately develop and respond to the existence of untapped tourism potential by building infrastructure and promoting it to the public. In addition, the government needs to improve the quality of infrastructure, such as good road conditions and tourist accommodation that supports the development of tourist attractions. In addition, it is also necessary to cooperate with the private sector or financiers to invest in tourist attraction development projects.

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