UNIVERSITAS ANDALAS

ANALYSIS OF STRUCTURAL TRANSFORMATION AND INEQUALITY

IN MALUKU UTARA PROVINCE

UNDERGRADUATE THESIS

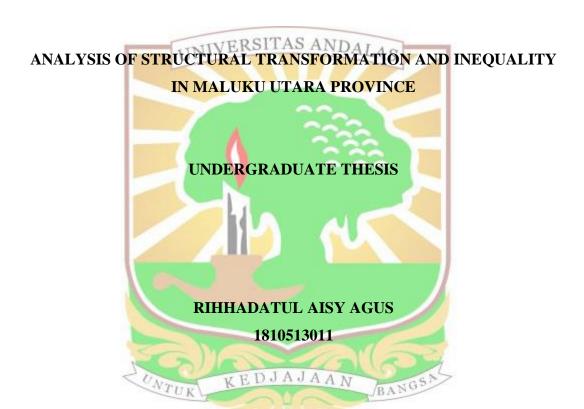**RIHHADATUL AISY AGUS**

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ANALYSIS OF STRUCTURAL TRANSFORMATION AND INEQUALITY IN MALUKU UTARA PROVINCE

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ABSTRACT

This study examines the dynamics of structural transformation and regional inequality in North Maluku Province over the period 2016–2023, employing a combination of sectoral analysis, Location Quotient (LQ) measurement, inequality indices, and Klassen Typology classification. The analysis identifies the manufacturing and mining sectors as the primary drivers of economic transformation, demonstrating strong comparative advantages at both the national and local levels. Other sectors, including electricity and gas, remediation activities, and real estate, although contributing to the regional economy, remain relatively small in terms of total output value. LQ results further reveal that several sectors exhibit strong local specialization (LQ > 1), notably agriculture, forestry, and fisheries; mining and quarrying; wholesale and retail trade; transportation and storage; public administration and defense; and human health and social work activities.

Inequality assessments show divergent patterns between the Williamson and Theil indices. The Williamson Index, which measures inter-regional disparities, rose sharply from 0.281 in 2016 to 0.926 in 2023, indicating significant widening inequality during the study period. In contrast, the Theil Index increased slightly from 0.801 in 2016 to 0.837 in 2017, but then exhibited a gradual decline to 0.690 in 2023, suggesting a slow reduction in inequality based on income distribution among sectors. Klassen Typology results place agriculture, mining, water supply and waste management, wholesale and retail trade, government administration, and educational services in Quadrant I (advanced and fast-growing sectors)

Overall, the findings indicate that while North Maluku is experiencing an ongoing structural shift toward higher value-added activities, this transformation is accompanied by uneven sectoral and regional development. The coexistence of widening disparities in the Williamson Index and the gradual improvement reflected in the Theil Index underscores the complexity of achieving balanced and inclusive economic growth in the province.

Keyword: Shift Share Analysis, Location Quotient, Williamson Index And Theil Entropy Index

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