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IMPACT OF SPREAD EFFECT ON PUBLIC MARKET PLACE (LAMBARO ACEH BESAR)

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ABSTRACT
Aceh Besar Regency is the primary access and entrance gate to the provincial capital, directly adjacent to the city of Banda Aceh. This proximity positions Aceh Besar as a buffer from the city. The strategic location and position make Aceh Besar an opportune area for rapid growth and development. Thus, developing these strategic areas will foster the emergence of growth centers (Growth Poles). This research aims to determine and analyze the impact of the spread effect on the public market between Aceh Besar Regency and Banda Aceh City as a potential sector that can encourage economic growth and have a spreading effect on the surrounding area. The analysis method employed in this research is a quantitative approach utilizing descriptive analysis. The results of the research show that the results of the gravity analysis of sub-districts in Aceh Besar Regency and Banda Aceh City show that Want Jaya Sub-district as the primary growth center has the greatest interaction value with Darul Imarah Sub-district. The last sub-district is one of the sub-districts in Aceh Besar Regency with an interaction value of 76,525,776,000. Furthermore, the largest interaction values after Darul Imarah District are Krueng Barona Jaya District and Montasik District with interaction values of 15,062,514,047 and 11,831,506,347 respectively.

Keyword: growth pole, spread effect, proportional shift, lambaro market.

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INTRODUCTION

Aceh Besar Regency, serving as the primary access and entrance gate to the provincial capital, is directly adjacent to the city of Banda Aceh. This adjacency positions Aceh Besar as a buffer from the city. The Lambaro Market in the Ingin Jaya subdistrict holds the status of the central market. Lambaro Market is a part of the activity center system within Aceh Besar Regency, classified as a Local Activity Center and a Regional Service Center.

The Lambaro Market is a strategic area that holds significant influence over the economic development of Aceh Besar. The presence of the Lambaro Market brings forth hopes for economic growth, with the potential to augment the earnings of traders and cross-sectoral business entities, including Micro, Small, and Medium Enterprises (MSMEs). Notably, the existence of the Lambaro Market has contributed to the rise in the Gross Regional Domestic Product (GRDP) of Aceh Besar Regency, calculated at constant prices, from IDR 9,213,402.42 to IDR 10,261,585.10 from 2017 to 2021 (B.P.S. Aceh Besar, 2023). This escalation in GRDP has subsequently propelled improvements within the economic sector of Aceh Besar.

The Lambaro Market delivers a multiplier effect to the local residents. These effects encompass the escalation in the value of land and buildings, alongside growth within the culinary business sector, including food stalls and coffee shops. Additionally, there has been an increase in the number of trips generated by sellers and visitors. The movement phase aims to determine the number of movements generated from each origin zone (Oi) and the number of movements drawn towards each destination zone (Dd) within the study area.

The problem identification is how the economic interaction between Aceh Besar Regency and Banda Aceh City as a potential sector so that it can encourage economic growth and create a spread effect for the surrounding area.

METHOD

Polarization Theory

Development undertaken in one area has a consequential impact on the surrounding regions. Growth centers give rise to two distinct forms of influence: the spread effect and the backwash effect. The backwash effect tends to channel growth toward a specific area with developmental potential, while the spread effect encompasses a wide-ranging dispersion from the growth center to its environs. As Myrdal (1957) noted, economic progress in certain regions reduces the spread effect on neighboring areas, coupled with an expansion of the backwash effect. Consequently, less developed areas experience further underdevelopment, while already developed areas undergo greater advancement.

Polarization analysis identifies two primary types of regions: developed and underdeveloped. These distinct categories hold reciprocal developmental influences over one another. A spread effect emerges through their interconnection in cases of extensive similarities between the two regions. Conversely, when the resemblances between these regions are confined to a smaller scale, the progress in developed areas can trigger a backwash effect on the surrounding underdeveloped regions (Hirschman, 1958).

Shift Share Analysis

Wibisono (2019) states that a region characterized by numerous sectors experiencing slow growth rates will subsequently contribute to sluggish national growth. This phenomenon occurs due to the comparative rapidity of growth in other regions. The shift-share analysis comprises three core components: (a) National share: This facet gauges the alteration in a region's economic structure driven by shifts within the broader national economy. (b) Proportional shift: This parameter encapsulates the growth in gross value added of a specific sector (i) juxtaposed with the total sectors' growth at the national level. (c) Differential shift or competitive position: This measure underscores the discrepancy in economic growth between the region and the gross value added of the same sector at the national level. The employed Shift Share Formula is as follows:

$$Pr,i,t = \{(EN,i,t / EN,i,t{-}n) - (EN,t / EN,t{-}n)\} \times Er,i,t{-}n$$

$$Dr,i,t = \{Ei,r,t - (EN,i,t / EN,i,t{-}n) Er,i,t{-}n\}$$

Where N is province, r is regency, E is total GRDP (million rupiahs), i is sector, t is year, t-n is starting year, Pr,i,t is proportional shift (million rupiahs), and Dr,i,t is differential shift (million rupiahs).

Research Variables

Table 1. Distance from Village in Meuraxa District to Central Business District Point

Variable	Sub Variables	Indicator
	Independent Variable (X)	
Potential Sector	Province dan Regency	Proportional Shift Differential Shift
Economic Interaction Area	Economic interaction between regencies	Total Population Absolute distance between Region 1 and others
Variable	**Sub Variables**	**Indicator**
	Dependent Variable (Y and Z)	
Growth Pole	Potential Sectors and Economic Interaction Areas	Proportional Shift Differential Shift Total Population Absolute distance between Region 1 and others Availability of Facility and Infrastructure Economic Growth Structure Condition

Source: Analysis Results 2022

Data Analysis

The analysis method employed in this research is a quantitative approach utilizing descriptive analysis. The primary goal of this study is twofold: first, to scrutinize the sectors influencing the generation of attraction or Origin-Destination (O-D) flows at Pasar Induk Lambaro. This objective is pursued by gathering data from the B.P.S. (Central Bureau of Statistics) of Aceh Besar, conducting on-site surveys, and constructing questionnaires for O-D analysis along Lambaro Central Market Road within Aceh Besar Regency. The second objective involves identifying the pivotal sectors harboring the potential to serve as economic drivers within Aceh Besar Regency. This endeavor is addressed by implementing a Shift Share (S.S.) analysis. Lastly, the third objective seeks to discern the economic interplay between Aceh Besar Regency and Banda Aceh City, a sector with substantial potential. This interaction is envisaged as a catalyst for economic growth and the creation of a widespread effect across the surrounding areas. The achievement of this goal rests upon conducting a gravity analysis.

RESULTS AND DISCUSSION

Shift Share Analysis

The Shift Share (S.S.) analysis entails a comparison of the divergence in growth rates across various sectors within the Lambaro central market in contrast to the reference area, with a detailed exploration of the factors contributing to changes in several variables. In the case of the Aceh Besar Regency, the Shift Share analysis was conducted using the Gross Regional Domestic Product (GRDP) data, adjusted for constant prices in 2017 and 2021. Aceh Province served as the benchmark region for this analysis.

It is noteworthy that the Proportional Shift values exhibit seven sectors with negative figures, specifically: (1) Agriculture, Forestry, and Fisheries; (2) Manufacturing Industry; (3) Wholesale and

Retail Trade; Car and Motorcycle Repair; (4) Transportation and Warehousing; (5) Accommodation and Drink and Food Provision; (6) Financial and Insurance Services; and (7) Corporate Services. These seven sectors within the region are experiencing slower or declining growth rates. This trend arises due to the external influence of the accommodation and food services sector, impacting sector (i) in the GRDP of Aceh Besar Regency.

On the other hand, the Proportional Shift values with positive magnitudes are attributed to ten sectors: (1) Mining and Quarrying; (2) Electricity and Gas Procurement; (3) Water Procurement, Waste Management, Waste and Recycling; (4) Construction; (5) Information and Communication; (6) Real Estate; (7) Government Administration, Defense, and Compulsory Social Security; (8) Educational Services; (9) Health Services and Social Activities; and (10) Other Services. These ten sectors experience swifter growth within the region, and their influence on regency revenue is affirmative. This pattern indicates that the revenue of Aceh Besar Regency is expected to surpass the growth rate of Aceh Province, fostering a positive growth trajectory.

The Differential Shift reveals negative values across seven sectors: (1) Agriculture, Forestry, and Fisheries; (2) Mining and Quarrying; (3) Electricity and Gas Procurement; (4) Water Procurement, Waste Management, Waste and Recycling; (5) Transportation and Warehousing; (6) Financial and Insurance Services; and (7) Corporate Services. This indicates that these sectors exhibit lower profitability within the internal development of Aceh Besar's Regional Domestic Product. Conversely, positive Proportional Shift figures encompass ten sectors: (1) Manufacturing Industry; (2) Construction; (3) Wholesale and Retail Trade; Repair of Cars and Motorcycles; (4) Provision of Accommodation and Food Services; (5) Information and Communication; (6) Real Estate; (7) Government Administration, Defense, and Compulsory Social Security; (8) Educational Services; (9) Health Services and Social Activities; and (10) Other Services. These ten sectors are both profitable and possess local advantages and competitiveness, thus contributing to the development of Aceh Besar's Regional Domestic Product.

Gravity Analysis

Gravity analysis shows that as the initial growth center, Ingin Jaya Sub-district holds the highest interaction value with Darul Imarah Sub-district, boasting an interaction value of 76.525.776,00. Additionally, notable interaction values are observed in the subsequent sub-districts, Krueng Barona Jaya and Montasik, recording interaction values of 15.062.514,047 and 11.831.506,347, respectively. These findings highlight the substantial economic interaction among the three sub-districts of Aceh Besar Regency compared to others. Notably, this interaction is directed toward the Ingin Jaya Sub-district, where the Lambaro central market is situated. Notably, the most robust interaction value is observed with the Darul Imarah Sub-district.

CONCLUSION

Based on the results of the shift-share analysis utilizing GRDP data at constant prices from 2017 to 2021, the following conclusion can be drawn: both the proportional shift and differential shift indicators exhibit negative values for seven sectors each. These seven sectors experience a slower or declining growth rate within the region, demonstrating lesser profitability in the internal development of Aceh Besar's Regional Domestic Product. Conversely, among the positive proportional shift and differential shift values, a total of ten sectors emerges. These ten sectors exhibit a swifter and more profitable growth rate within the region. Moreover, they possess local advantages and competitiveness in fostering the development of Aceh Besar's Regional Domestic Product.

Based on the results of the gravity analysis, utilizing Ingin Jaya Sub-district as the focal point due to its role as the location of Lambaro central market, the sub-district with the highest interaction value is Darul Imarah Sub-district. Following that, the Krueng Barona Jaya Sub-district and Montasik Sub-district are notable, with respective interaction values of 76,525,776.000, 15,062,514.047, and 11,831,506.347.

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