

Study on the Quality of Economic Growth and Its Improvement Strategy in Konawe Islands Regency

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ABSTRACT

This research activity will be carried out as an effort to assist the Konawe Islands Regency government in solving economic problems based on efforts to improve the quality of regional economic growth that can be achieved through strategies to improve the quality of economic growth. Especially in terms of increasing GDP growth which has implications for reducing income distribution inequality, reducing poverty rates, decreasing the unemployment rate and increasing the human development index. The purpose to be achieved in this study is to find out and analyze the quality of economic growth that occurs in Konawe Islands Regency, formulate a strategy to improve the quality of economic growth in Konawe Islands Regency. This study uses quantitative descriptive analysis and SWOT analysis. This research is expected to be able to show that improving the quality of economic growth is a form of government program preparation in order to improve the welfare of the community in Konawe Islands Regency. The results of the study show that: (1). The quality of economic growth that occurs in Konawe Islands Regency is quite quality economic growth, where the increase in the rate of economic growth has a negative direction towards reducing income distribution inequality, decreasing the percentage of population poverty and decreasing the unemployment rate, while the rate of economic growth has a positive direction towards increasing the value of the Human Development Index. (2). The strategy to improve the quality of economic growth in Konawe Islands Regency is to implement the SO (Aggressive Growth) Strategy by increasing the rate of economic growth and improving the regional economic structure by continuing to pursue regional development across sectors by utilizing regional potential with the aim of improving overall community welfare.

Kata Kunci : quality of economic growth, strategy

INTRODUCTION

Development basically aims to improve the standard of living and welfare of the community (Douglas, 2013). Along with the development of development activities in all fields, human beings are faced with increasing competition so that government intervention is needed to regulate the overall economic balance (Aggregate) in achieving a level of welfare. Keynes J.M. in (Mankiw, 2012).

The policy of decentralization and regional autonomy is an opportunity for local governments in Indonesia to implement and finance the implementation of development in their respective regions. During its implementation, many things have been achieved, but there are still many that have not been fulfilled in accordance with the development goals, namely building a just and prosperous society and sustainable development (Bachmid, Balaka, Baso, Tahir, & Rahim, 2020).

To achieve the success of targeted development, a comprehensive planning mechanism is needed to be able to annul various potentials for regional development and development properly. Development at that time was emphasized on economic development, especially economic growth, while development in other fields was directed to support the success of economic development and follow the rhythm of development in other fields (Muh. Nur, 2017).

Based on the goals and policy directions of the RPJPN, the Southeast Sulawesi government also set the Regional Long-Term Development Plan (RPJPD) of Southeast Sulawesi Province for 2005-2025 as a guideline for the provincial government and district/city governments, including the Konawe Islands Regency government (Prasetyo, 2008). The National Development Planning System mandates regions to prepare Regional Medium-Term Development Plans (RPJMD). The RPJMD document is an elaboration of the vision, mission, and program of regional heads guided by the Regional Long-Term Development Plan (RPJPD) while still paying attention to the National RPJM. The implementation of the Regional Medium-Term Development Plan (RPJMD) of Konawe Islands Regency for 2016-2021 which is a regional five-year planning document contains strategies, policy directions, and regional development programs based on regional conditions and potential (RPJMD, 2019).

One of the goals to be achieved in the National, provincial and regional Long-Term Development Plans, especially in Konawe Islands Regency, is to increase quality economic growth. Empirical facts show that there are still some people who live in poverty and helplessness as a result of the failure to implement economic development that has not been implemented properly, fairly and equitably (Mlachila, Tapsoba, & Tapsoba, 2014). The basic phenomenon that has occurred so far can be seen that, initially, development carried out in a developing country or newly developing regions focuses on efforts to achieve economic growth at the maximum level. However, the high economic growth achieved causes inequality in income distribution and inequality in development between regions of a country or autonomous regions of a region (Sagir, 2009).

As a new autonomous region, Konawe Islands Regency at this time has been able to carry out its economic development with a fairly high economic growth rate, namely for the last 5 years from 2015 -2018 an average of 7.56 percent is above the average economic growth of Southeast Sulawesi Province (Sudantoko, 2009). However, high economic growth in Konawe Islands Regency is not directly proportional to the reduction in poverty. The percentage of the number of poor people from 2015 to 2018 was recorded at an average of 17.51 percent. This number increased from 2015 by 16.73 percent to 17.72 percent in 2016 and continued to increase to 18.10 percent in 2017. (BPS., 2020).

Quite high economic growth in Konawe Islands Regency has given impetus to the increase in the value of the Human Development Index (HDI) in a better direction. The HDI value in 2014 of 61.31 has increased until in 2015 it reached 61.72. Not only here, in 2016 the HDI value of Konawe Islands Regency continued to increase to 62.56 and in 2017 to 63.44. This value continued to increase until in 2018 it reached 64.36. However, the average HDI value from 2014-2018 was 62.68, which is still lower when compared to the HDI value of Southeast Sulawesi Province, which was 71.20 in 2019, (BPS, 2020).

The increase in economic growth has been able to reduce the open unemployment rate in Konawe Islands Regency (Todaro, 1999). This can be seen from the decrease in the value of the Regional Open Unemployment Rate (TPK) in 2017 by 5.41 percent, which managed to decrease by 4.22 so that in 2018 it decreased to 1.19 percent (Das, Mourmouras, & Rangazas, 2015). This shows that the increase in regional economic

growth has been able to reduce the unemployment rate and expand employment (Sukirno, 2013). Likewise, the distribution of income that occurs in Konawe Islands Regency tends to decrease. This can be seen from the value of the regional ratio Gini index in 2016 of 0.419 decreased to 0.372 in 2017 (Jhingan, 2000). The decline in inequality in the distribution of community income continued to decline until 2018 with a value of 0.337. The Gini value of this ratio is included in the category of moderate inequality. (BPS Sulawesi, 2020).

Based on the description that has been stated above, research on "Assessment of the Quality of Economic Growth and Its Improvement Strategy in Konawe Islands Regency needs to be carried out. The results of this research are expected to be input for the Konawe Islands Regency government in formulating strategies and policies to improve the quality of economic growth now and in the future.

RESEARCH METHOD

This research was carried out in Konawe Islands Regency, Southeast Sulawesi Province. The time for the implementation of the research is planned for 3 (three) months from the date of signing the research cooperation contract agreement between the Regional Development Planning Agency of Konawe Islands Regency and the Center for Research and Community Service of the Six Six Kendari College of Economics.

The types of data used in the study consist of quantitative data and qualitative data. Quantitative data is obtained in the form of data that has been collected and published by agencies or agencies related to the object of this research. Qualitative data was obtained from documents, lists of research instruments, as well as field records and documentation.

This research was conducted using primary data and secondary data with the following methods:

1. Primary data in this study is all information obtained directly from research respondents in the form of direct interviews with agency officials related to the research.
2. Secondary data in this study is data obtained from publication data of related agencies, namely at the Southeast Sulawesi Provincial BPS Office, BPS Konawe Islands Regency, Manpower Office and Village Community Empowerment Office (BPMD) Konawe Islands Regency.

RESULT AND DISCUSSION

Economic Growth Rate of Konawe Islands Regency

The rate of economic growth in Konawe Islands Regency is an achievement of the level of regional economic activity in realizing an improvement in the welfare of its people. The economic growth of this region occurs due to driving factors such as an increase in community savings, the formation of regional Gross Domestic Fixed Capital (PMTB), technological advances and several other factors as support for the process of forming regional capital in Konawe Islands Regency.

The calculation of the regional economic growth rate of Konawe Islands Regency was carried out to measure regional economic progress as the success of regional economic development. In addition, the economic growth of Konawe Islands Regency is used as a projection or estimate of regional revenue for regional development planning of the district sectorally. Therefore, the greater the rate of economic growth that can be obtained by Konawe Islands Regency, it shows the success of this region in realizing the success of its regional development.

The economic growth of Konawe Islands Regency is the growth of Gross Regional Domestic Product (GDP) measured in percent. If the percentage of regional economic growth obtained is positive, it means that it has increased from year to year, then the economy of this region is growing and developing well. On the other hand, if the percentage of economic growth decreases or even negative, it means that the economy of this region is experiencing a decline or a decrease in the *output of* regional economic activities. Negative economic growth indicates that the real regional income obtained by the region in a certain period is smaller or lower than the period last year.

The following results of the calculation of the GDP growth rate of Konawe Islands Regency based on constant prices in 2010 for the last 5 (five) years can be seen in table 1 as follows:

Table 1 GDP Growth Rate of Konawe Islands Regency during the period 2016-2020

No.	Year	GDP Growth CPI 2010 (%)
1	2016	7,82
2	2017	7,10
3	2018	7,42
4	2019	7,36
5	2020	-0,63
Average		5,81

Source : BPS Konawe Islands in Numbers (Processed).

Based on the data shown in table 1 above, it shows that economic growth in Konawe Islands Regency from 2016 to 2020 shows a positive value with a figure of 5.81 percent. The highest economic growth was in 2016 at 7.82 percent, while the lowest economic growth in 2020 was -0.63. Economic growth in 2020 with a negative value means a decrease in GDP revenue caused by the outbreak of the Covid 19 virus pandemic that hit the national and regional economies.

The economic growth of the Konawe Islands Regency during the 2016-2019 period has always experienced a fairly high increase, but the increasing trend fluctuates from year to year. This means that the regional economic development of Konawe Islands Regency also faces various challenges in each development period for 1 (one) year.

The fluctuation in the development trend of the regional economic growth rate of Konawe Islands Regency can be seen in graph 2 as follows:

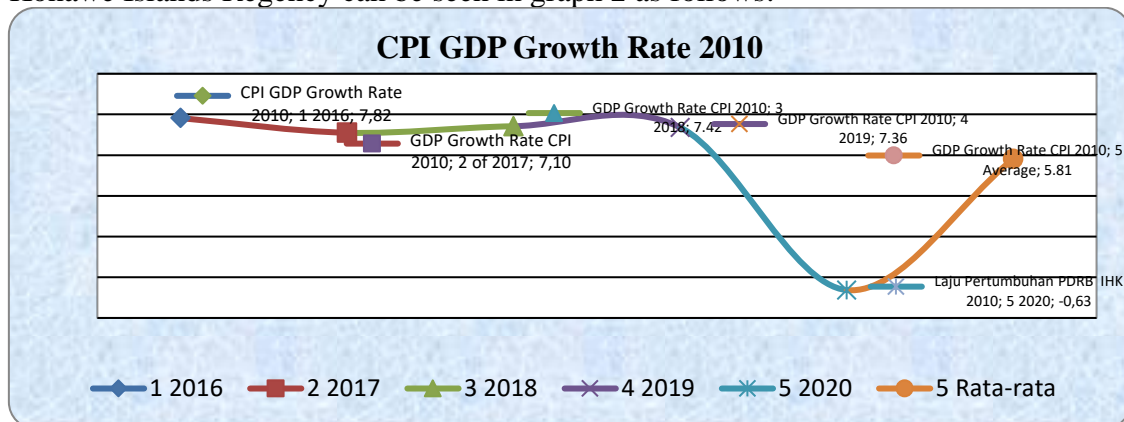


Figure 1 : Graph of the Development of the Economic Growth Rate of Konawe Islands Regency in 2016 – 2020.

Source : BPS Konawe Islands in Numbers (Processed).

Based on graph 2 above, it shows that the development of the economic growth rate of Konawe Islands Regency is experiencing a trend that tends to fluctuate. In 2016, the economic growth rate of 7.82 percent depreciated by -0.72 points so that in 2017 it became 7.10 percent. Meanwhile, in 2017 it strengthened again with an appreciation value of 0.32 points so that in 2018 it became 7.42 percent. Furthermore, in 2019, it again experienced a slight depreciation of 0.06 points, resulting in economic growth to 7.36 percent. Until 2020, regional economic growth experienced a very high contraction of -6.73 points, resulting in economic growth corrected to -0.63 percent. This condition occurred due to the outbreak of the covid 19 virus that hit the international, national and regional economic conditions.

The economic growth rate that has increased from year to year shows that the success of the Konawe Islands regional government in improving and equalizing the welfare of the community throughout its government area and vice versa, the declining growth rate shows the decline of the regional economy in the current period.

Level of Income Equity of the Regency Community Konawe Islands

The Gini ratio or Gini coefficient is a tool to measure the degree of unequal distribution of income population. It is based on the Lorenz curve, which is a cumulative expenditure curve that compares the distribution of a particular variable (e.g. income) with a uniform distribution that represents a cumulative percentage of the population.

The economic growth rate of Konawe Islands Regency towards the distribution of community income is expected to have negative signs or (directions). This means that the economic growth rate of the Konawe Islands Regency is expected to be distributed evenly to the community. The negative correlation of high economic growth results in an even distribution of income as measured by the value (*Gini Ratio Index*).

Therefore, as a whole, the Konawe Islands Regency area, both urban and rural areas, with the regional economic growth that occurs, is expected to be evenly distributed to all residents in Konawe Islands Regency. This study examines the equitable distribution of community income that occurs because of the results of regional economic growth that can be enjoyed equally by all population groups.

The Gini Index (*Gini ratio*) is one of the tools that measures the level of relative income distribution gap between residents of Konawe Islands Regency. Therefore, the analysis of the income gap between residents in the Konawe Islands Regency area is important to be carried out. In this analysis, community income is approached with the value of the community income gap in the Konawe Islands Regency area. This is an effort to get an overview of the distribution of community income in the Konawe Islands Regency area, which can be used as a reference material to formulate development policies in order to reduce the gap in community income distribution.

Conceptually, it shows that an income distribution is more evenly distributed if the value of the Gini Coefficient is close to zero (0). On the other hand, an income distribution is said to be more uneven if the value of the Ginny Coefficient is closer to one. Therefore, the local government of Konawe Islands Regency should try to reduce the results of the calculation of the Gini ratio index value so that its people can enjoy the results of regional economic development that has been carried out so far. The following are the results of the calculation of the Gini index of the regional ratio of Konawe Islands Regency over the last 5 (five) years can be seen in table 5.3 as follows:

Table 2 Gini Index Value of Regional Ratio of Konawe Islands Regency during the period 2016-2020

No.	Year	Gini Index Ratio
1	2015	0,460
2	2016	0,419
3	2017	0,371
4	2018	0,337
5	2019	0,336
6	2020	0,332
	Average	0,376

Source : BPS Konawe Islands in Numbers (Processed).

Based on the data shown in table 2 above, it shows that the value of the Gini Index Ratio of the Konawe Islands Regency from 2016 to 2020 shows an average value of 0.376, meaning that the level of inequality in the distribution of community income in the Konawe Islands Regency is in the *low* inequality category. The highest Gini Ratio Index was in 2016 at 0.460, while the lowest Gini Ratio Index value was in 2020 at 0.332. This means that the people of Konawe Islands Regency have a fairly low income distribution inequality. The value of the Gini Index The regional ratio of Konawe Islands Regency has always been declining from year to year, showing that the economic growth of the Konawe Islands Regency can be distributed evenly for all residents well.

The decrease in the value of the Gini index The ratio of the Konawe Islands Regency which tends to decrease from year to year can be seen in graph 5.4 as follows:

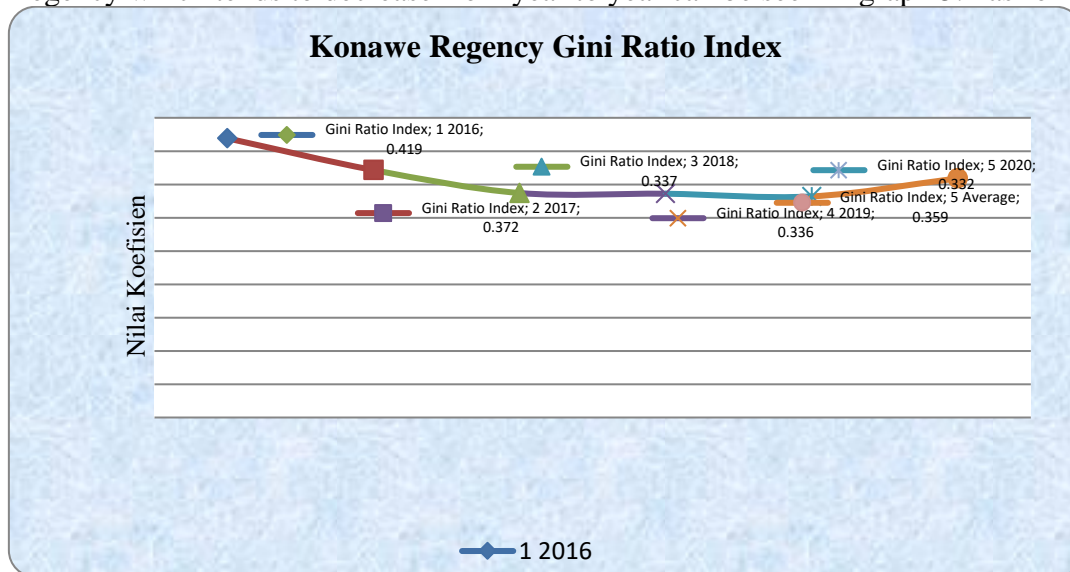


Figure 2: Graph of the Decline in the Value of the Gini Index Ratio of Konawe Islands Regency in 2016 – 2020.

Source : BPS Konawe Islands in Numbers (Processed).

Based on graph 2 above, it shows that the development of the Gini Ratio index value of Konawe Islands Regency is experiencing a downward trend. In 2016 the value of the Gini Ratio Index of 0.419 decreased by -0.047 points so that in 2017 it became 0.372. Meanwhile, in 2017 it decreased again with a value of 0.035 points so that in 2018 it became 0.337. Furthermore, in 2019, there was a slight decrease of 0.001 points so that the value of the Gini ratio index became 0.336. Until 2020, the value of the Gini Ratio index was 0.004 points, so that the value of the Gini Ratio index was 0.332. This condition

provides an overview of the equitable distribution of income of the people of Konawe Islands Regency from year to year is better distributed for all residents.

The level of community income from year to year shows that it tends to be evenly distributed as a form of success of the Konawe Islands regional government in improving the welfare of the population fairly and evenly from all aspects of economic development activities that have been carried out.

Poverty Level of the Population of Konawe Islands Regency

Poverty is the inability to meet basic needs such as food, clothing, shelter, education, and health. Poverty can be caused by the scarcity of tools to meet basic needs, or the difficulty of accessing education and jobs. Poverty is a development problem both locally and nationally, including in the Konawe Islands Regency area.

The problem of poverty is also one of the problems in the economic development process in the Konawe Islands Regency area. As a new autonomous region, regional poverty is an issue that is widely highlighted in the regional development process. Because poverty has an impact on decreasing the quality of life, causing a socio-economic burden on the community, decreasing the quality of human resources, and lowering public order.

Efforts to reduce poverty in Konawe Islands Regency are more emphasized on economic development that prioritizes increasing the growth of regional economic growth rates. This is due to the belief by policymakers and development planners that there will be a *trickle down effect*. However, in reality, the economic growth of the Konawe Islands Regency is relatively high but has not been able to provide benefits for all groups of people, especially the poor.

To measure poverty, BPS uses the concept of the ability to meet basic needs (*basic needs approach*). With this approach, poverty is seen as an inability from an economic point of view to meet basic food needs and not food as measured in terms of spending. So the Poor are residents who have an average monthly per capita expenditure below the poverty line. So that to study the state of poverty that occurs in the Konawe Islands Regency area in a macro way, it is shown based on the percentage value of the number of poor people. The following data on the percentage of the number of poor people in the Konawe Islands Regency area for the last 5 (five) years can be seen in table 3 as follows:

Table 3 Percentage of Poor Population in Konawe Islands Regency during the period 2016-2020

No.	Year	Percentage of Poor People
		(%)
1.	2016	17,72
2.	2017	18,10
3.	2018	17,48
4.	2019	17,18
5.	2020	17,01
	Average	17,50

Source : BPS Konawe Islands in Numbers (Processed).

Based on the data shown in table 3 above, it shows that the percentage of the number of poor people in the Konawe Islands Regency from 2016 to 2020 shows an average value of 17.50 percent, meaning that the poverty level of the people in the Konawe Islands Regency is in the category *relatively high* compared to the percentage of the number of poor people in Southeast Sulawesi Province. The highest percentage of the

number of poor people was in 2017, which was 18.10 percent, while the lowest percentage of the number of poor people was in 2020 at 17.01 percent. This means that the number of poor people out of the total population of Konawe Islands Regency is still relatively high.

The poverty level of the population of Konawe Islands Regency in the period 2016-2020 is still above the provincial and national average. The above conditions are mostly related to; (1) the quality and services of education are still low, (2) the quality and services of health services are still low, (3) the opportunities for employment and business are still low, (4) the quality and basic services of drinking water are still low, and (5) the quality and services of housing and sanitation are still low. However, the number of poor people in the Konawe Islands Regency has always decreased from year to year due to the efforts and efforts of the local government of Konawe Islands Regency to reduce poverty through community empowerment programs.

The decrease in the percentage of the number of poor people in the Konawe Islands Regency which tends to decrease from year to year can be seen in graph 5.6 as follows:

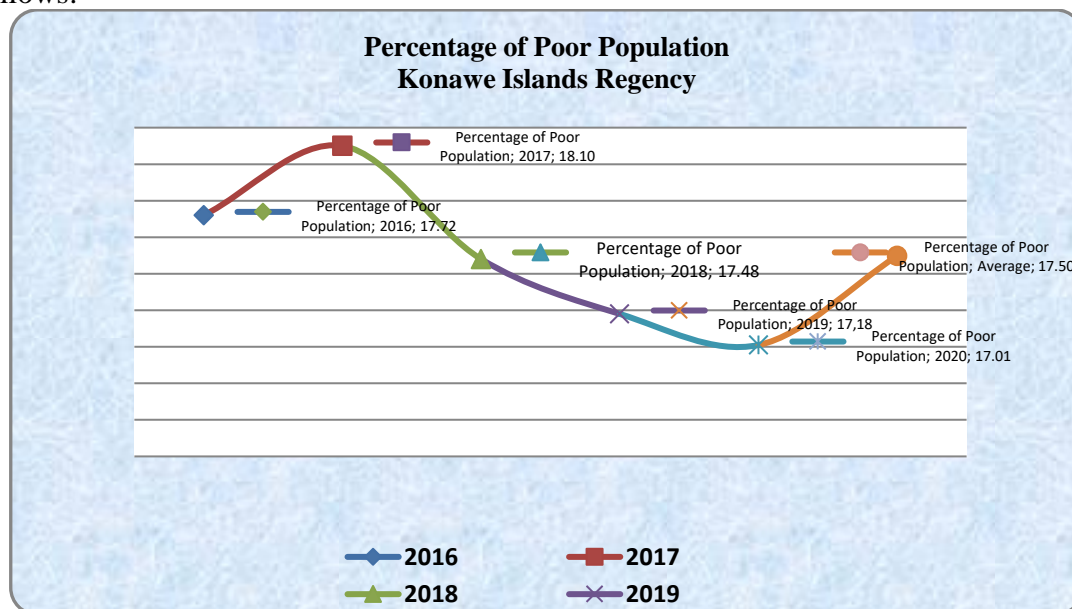


Figure 3 : Graph of the Percentage Decrease in the Number of Poor People in Konawe Islands Regency in 2016 – 2020.

Source : BPS Konawe Islands in Numbers (Processed).

Based on the graphic figure 3 above, it shows that the development of the percentage of the poor population in the Konawe Islands Regency is experiencing a downward trend. In 2016, the percentage value of the number of poor people of 17.72 percent increased by 0.38 points so that in 2017 it became 18.10 percent. Meanwhile, in 2018 it decreased again with a value of 0.62 points so that in that year the percentage of the number of poor people became 17.48 percent. Furthermore, in 2019 there was a slight decrease of 0.03 points so that the percentage of the number of poor people became 17.18 percent. Until 2020, the percentage of the number of poor people continued to decrease by 0.17 points so that the percentage of the number of poor people became 17.01 percent. This condition provides an overview of the poverty level of the people of Konawe Islands Regency from year to year has decreased. This means that the poor people in Konawe Islands Regency have experienced a decrease from year to year. This is a form of

success of the Konawe Islands regional government in improving welfare from various aspects of economic development activities for the community.

Unemployment Rate of Residents of Konawe Islands Regency

Unemployment is a term for the labor force (population aged 15-65 years) who do not work at all or are looking for a job but have not yet found a job. Meanwhile, job opportunities are interpreted as demand *for labor*, which is a situation that describes the availability of jobs that are ready to be filled by job seekers.

High labor force growth in an area that is not balanced with the opening of new jobs will result in an increasing open unemployment rate. As happened in the Konawe Islands Regency area, the growth of this labor force is smaller when compared to the availability of new jobs.

The state of community unemployment in Konawe Islands Regency is calculated by comparing the number of working labor force to the labor force. Because if job opportunities are wide open for the community, it will create a source of income for people who get job opportunities which will ultimately be a source of increasing the Gross Regional Income (GDP) of the Konawe Islands Regency.

The open unemployment rate in the Konawe Islands Regency area has decreased significantly from year to year. This shows the success of the local government in overcoming the unemployment problem that occurs. The growth of the labor force can be balanced with the availability of jobs.

The following data on the Open Unemployment Rate in the Konawe Islands Regency area for the last 5 (five) years can be seen in table 7 as follows:

Table 4 Open Unemployment Rate of the People of Konawe Islands Regency during the period 2016-2020

No.	Year	Open Unemployment Rate (% TPT)
1	2016	3,40
2	2017	5,41
3	2018	1,10
4	2019	1,80
5	2020	1,60
	Average	2,66

Source : BPS Konawe Islands in Numbers (Processed).

Based on the data shown in table 4 above, it shows that the percentage of the number of open unemployment in the Konawe Islands Regency from 2016 to 2020 shows an average value of 2.66 percent, meaning that the open unemployment rate of the people in the Konawe Islands Regency is in the category *relatively low* compared to the open unemployment of the people of Southeast Sulawesi Province. The highest percentage of open unemployment rate was in 2017 at 5.41 percent while the lowest percentage of open unemployment rate was in 2020 at 1.60 percent. This means that the number of unemployed people in the total population of Konawe Islands Regency is relatively low.

The open unemployment rate of the people of Konawe Islands Regency in the period 2016-2020 is below the average open unemployment rate of the people of South Sulawesi Province. The above conditions are mostly related to the high ownership of community production factors, especially employment in the agricultural sector. The open unemployment rate in the Konawe Islands Regency has always decreased from year to year, also supported by the efforts of the Konawe Islands Regency local government to open new business fields through community empowerment programs.

The decrease in the open unemployment rate in the Konawe Islands Regency which tends to decrease from year to year can be seen in graph 8 as follows:

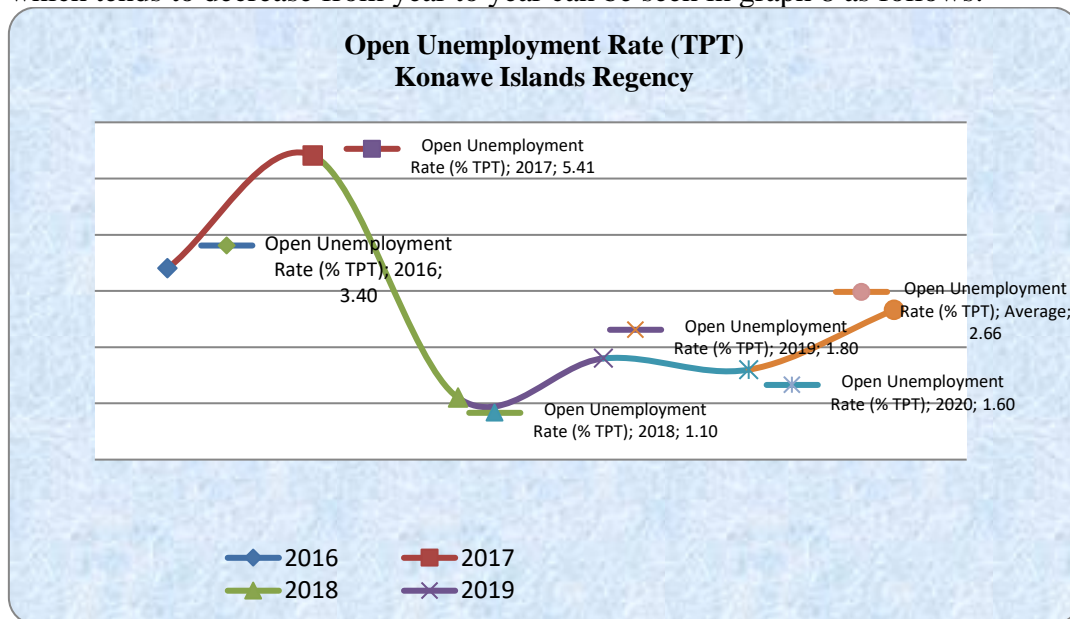


Figure 5 : Graph of the Decline in the Open Unemployment Rate of Konawe Islands Regency in 2016 – 2020.

Source : BPS Konawe Islands in Numbers (Processed).

Based on the figure of graph 5 above, it shows that the development of the open unemployment rate in the Konawe Islands Regency area is experiencing a downward trend. In 2016 the open unemployment rate of 3.40 percent increased by 2.01 points so that in 2017 it became 5.41 percent. Meanwhile, in 2018 it again experienced a fairly drastic decline with a value of 4.31 points so that in that year the open unemployment rate was only 1.10 percent. Furthermore, in 2019 there was a slight increase of 0.70 points so that the open unemployment rate was 1.80 percent. Until 2020, the open unemployment rate decreased again by 0.20 points so that the open unemployment rate was 1.60 percent. This condition provides an overview of the availability of regional employment in Konawe Islands Regency has increased from year to year, as well as showing the success of the Konawe Islands regional government in reducing unemployment and expanding employment from various aspects of regional economic activities.

Level of Community Welfare in Konawe Islands Regency

Economic growth in general can be shown by the increase in the value of the Gross Domestic Product (GDP) from year to year. Especially for the value of Gross Regional Domestic Product (GDP), it is actually able to provide an overview of the gross added value produced by production units in a region in a certain period. The development of the amount of GDP value is one of the indicators that is used as a measure to assess the success of the development of a region, including the Konawe Islands Regency area. The economic growth of the Konawe Islands Regency is reflected through the growth of the value of GDP based on constant prices.

In addition to GDP growth, another indicator used to measure the level of general welfare is the Human Development Index (HDI). This welfare indicator is used to measure the general welfare profile of the Konawe Islands Regency. The Human Development Index (HDI) is used to describe achievements in the community welfare

sector in aggregate, because this index describes developments in the economic sector and the social sector at the same time.

The Human Development Index is formed by three main components, namely the per capita expenditure rate, the literacy rate (TMH) and the life expectancy rate (THH) so that it is expected to provide a positive stimulus for the increase in development activities in all sub-districts in the Konawe Islands Regency area.

The economic sector and the social sector are also described in this index so that the general welfare of the people of Konawe Islands Regency can be measured with a wide scope. The Human Development Index (HDI) is also able to explain the measures in infrastructure and institutions formed by the Konawe Islands Regency government which causes HDI to be able to get an overview of development achievements in the economic and social sectors. The following data on the value of the Human Development Index which reflects the level of welfare of the people of Konawe Islands Regency over the last 5 (five) years can be seen in table 9 as follows:

Table 5 Human Development Index (HDI) Value of Konawe Islands Regency during the period 2016-2020.

No.	Year	Human Development Index (HDI)
1.	2016	62,56
2.	2017	63,44
3.	2018	64,36
4.	2019	65,05
5.	2020	65,41
	Average	64,16

Source : BPS Konawe Islands in Numbers (Processed).

Based on the data shown in table 9 above, it shows that the Human Development Index (HDI) of Konawe Islands Regency from 2016 to 2020 shows an average value of 64.16 percent, meaning that the welfare of the people of Konawe Islands Regency is in the category of *relatively low* compared to the welfare of the people of Southeast Sulawesi Province. The lowest Human Development Index (HDI) value was in 2016 which was 62.56 while the highest Human Development Index (HDI) value was in 2020 at 65.41. This means that the level of welfare of the people in the Konawe Islands Regency area is still relatively low.

The level of welfare of the people of Konawe Islands Regency in the period of 2016-2020 is below the average welfare of the people of South Sulawesi Province. The above conditions are related to the low productivity of the community and the lack of added value in the production of economic commodities produced by the people of Konawe Islands Regency. However, the level of welfare of the people in Konawe Islands Regency has increased from year to year because it is supported by the efforts of the local government of Konawe Islands Regency in distributing various financial assistance including village funds and other community empowerment programs. The welfare of the people in Konawe Islands Regency which tends to increase from year to year can be seen in the graph 10 as follows:

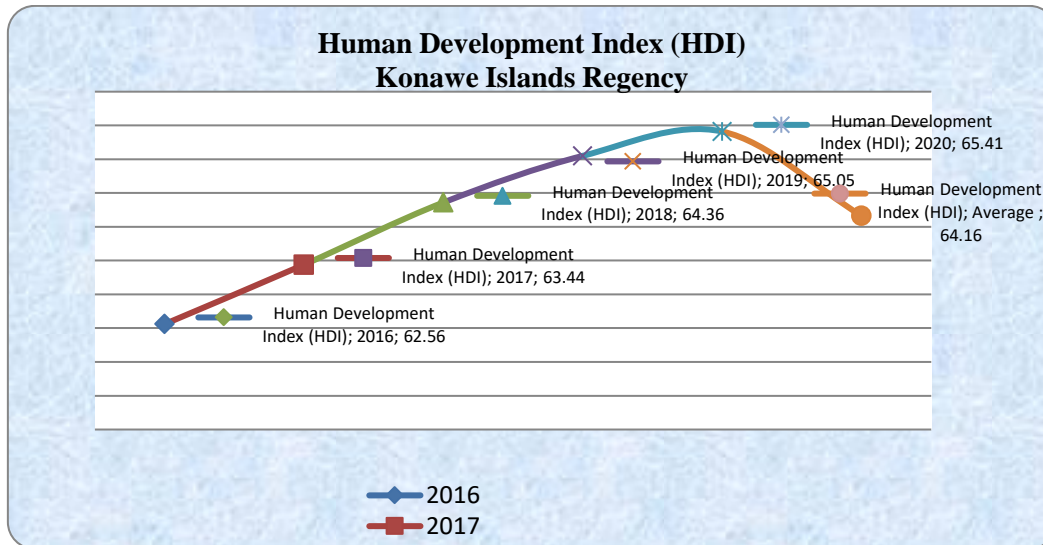


Figure 6 : Graph of the value of the Human Development Index of Konawe Islands Regency in 2016 – 2020.

Source : BPS Konawe Islands in Numbers (Processed).

Based on the graphic image 10 above, it shows that the development of community welfare in the Konawe Islands Regency is experiencing a trend that tends to increase. In 2016 the value of the Human Development Index of 62.56 increased by 0.88 points so that in 2017 it became 63.44. Meanwhile, in 2018 it continued to increase with a value of 0.92 points so that in that year the value of the Human Development Index became 64.36. Furthermore, in 2019 it continued to increase by 0.69 points so that the value of the Human Development Index became 65.05. Until 2020, the value of the Human Development Index continued to increase by 0.36 points so that the value of the Human Development Index became 65.41. This condition provides an overview of the level of welfare of the people in the Konawe Islands Regency which has increased from year to year. At the same time, it shows the success of the Konawe Islands regional government in encouraging the improvement of the socio-economic welfare of the community from various aspects of regional economic activities.

Quality of Economic Growth in Konawe Islands Regency

The success of economic development in Konawe Islands Regency with an increase in economic growth must be accompanied by a decrease in income distribution inequality, a decrease in the number of poor people, and a decrease in the number of unemployed and an increase in welfare. Therefore, the Konawe Islands Regency area should create quality economic growth. To see the quality of economic growth that occurs in Konawe Islands Regency, the cross elasticity coefficient is used. The cross-elasticity in question is to see the impact of a policy of the Konawe Islands regional government to increase the economic growth variable which is measured by the percentage change in the GDP growth rate based on constant prices with the percentage change in indicators of regional economic development success. The indicators of the success of economic development in question are the percentage change in income distribution as measured by the value of the Gini ratio index, the percentage change in the poverty rate measured by the percentage of the number of poor people, the percentage change in the unemployment rate as measured by the Open Unemployment Rate (TPT) and the percentage of change in community welfare as measured by the value of the Human Development Index.

The development of the regional economic growth rate of Konawe Islands Regency is compared with changes in other indicators of economic development success. This is done to see the development of other economic indicators due to changes in the rate of economic growth. Changes in economic indicators are said to be quality if the increase in the rate of economic growth has a negative direction, especially the comparison of the rate of economic growth with the value of the Gini Ratio index, the percentage of population poverty and the unemployment rate, while the rate of economic growth is expected to have a positive direction towards the value of the Human Development Index.

Analysis of Cross-Elasticity of Economic Growth Quality Konawe Islands Regency

Based on the cross-elasticity formula, the percentage change in economic growth can be calculated as measured by the GDP growth rate of Konawe Islands Regency which is linked to the percentage decrease in income distribution measured by the Gini ratio index value, the percentage of GDP growth rate with the value of the percentage decrease in the number of poor people and the percentage value of the GDP growth rate with the percentage value of the open unemployment rate and the percentage value of the rate GDP growth with the value of the Human Development Index. Because the behavior of each observed economic variable has a positive or negative relationship, so that the measurement of the variables of increasing the rate of economic growth to the decrease in income distribution inequality, the decrease in the number of poor people and the decrease in the number of open unemployment shows the same direction so that it can be calculated simultaneously using the concept of average elasticity.

SWOT Analysis of Strategies to Improve the Quality of Economic Growth Konawe Islands Regency

Based on empirical data related to the potential of the Konawe Islands Regency area to formulate policy strategies to improve the quality of economic growth can be carried out by SWOT analysis. To examine the utilization of regional potential in order to improve the quality of economic growth in Konawe Islands Regency through regional economic quality indicators with a reduction in inequality in the distribution of community income by examining the value of the index *Gini Ratio*, reducing the poverty level of the community by examining the percentage of decrease in the number of poor people, decreasing the unemployment rate by examining the percentage of the Open Unemployment Rate (TPT) and improving community welfare by examining the value of the Human Development Index (HDI).

CONCLUSION

Based on the research objectives, the results of the analysis and discussion that have been described above, the results of this study are concluded as follows:

The quality of economic growth that occurs in Konawe Islands Regency is quite quality economic growth, where the increase in the rate of economic growth has a negative direction towards reducing income distribution inequality, decreasing the percentage of population poverty and decreasing the unemployment rate, while the rate of economic growth has a positive direction towards increasing the value of the Human Development Index.

The strategy to improve the quality of economic growth in Konawe Islands Regency is to implement the SO (Aggressive Growth) Strategy by increasing the rate of economic growth and improving the regional economic structure by continuing to strive

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for regional development across sectors by utilizing regional potential with the aim of improving the welfare of the community as a whole.

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