

ABSTRACT

Economical growth could be affected for economic structure. Structural transformation is a process of structural changing in economy from traditional to modern sector, as happened in Central Java Province. The structural changing or transformation in economy from traditional to modern sector can be seen as a transformation related to the composition of labor absorption shift and the contribution to region's PDRB.

The aim of this research is to analyze the economical structure in Central Java Province along period of 2004-2008 and the economical sector' role shifting and the output's growth and contribution. Labor absorption in agricultural sector was bigger than in industrial sector. Otherwise, the labor absorbed to agricultural sector was decreased, conversely happened in industrial sector along period of 2004-2008. Analysis tool used in this analysis is LQ (Location Quotient), shift-share, and klassen typology. The result of LQ analysis showed that industrial sector was the superior sector in which the assesment point was from 1,328 in 2004 to 1,429 in 2008. The result of shift-share analysis on industrial sector was totally 28,64% meanwhile on agricultural sector was 15,24%. The result on klassen typology showed that industrial, service, and agricultural sectors became the developed and the fast-grown sector in Central Java Province.

It can be concluded that there was structural transformation in economy of Central Java Province that is from traditional to modern sector. It can be seen by the fact that the industrial sector became the superior or favourite sector and it showed significant growth and gave big contribution for the labor absorption from traditional therefore there became the shifting in labor absorption in Central Java Province.

Keywords” Structural Transformation in Economy, Labor Absorption, LQ, Shift-Share, Klassen Typology.