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Identification of Economic Structure Transformation of Banyuwangi Regency: A Study of Economic Sectors Using Location Quotient, Shift Share, and Klassen Typology Methods

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Abstract:

This study aims to analyze changes in the economic structure of Banyuwangi Regency during the 2019–2023 period by evaluating the contribution of various economic sectors. To obtain a comprehensive perspective, three analytical approaches were applied: the Location Quotient (LQ) to identify leading sectors, Shift Share analysis to assess local competitive advantages, and the Klassen Typology to determine the region's relative development position. These methods were chosen for their ability to capture sectoral dynamics in terms of comparative advantage, growth performance, and income distribution. The results indicate a gradual shift from primary sector dominance to a more diverse economy involving secondary and tertiary sectors. The number of basic sectors declined from five to four, while the number of sectors with positive differential shift values increased, signaling broader regional competitiveness. Additionally, Banyuwangi progressed from a relatively underdeveloped region (Quadrant IV) to an Rapidly Developing Area (Quadrant II). These findings suggest a positive trajectory toward a more balanced economic structure. To accelerate this transformation, concrete strategies are required, such as promoting value-added manufacturing based on local potential, enhancing inter-sectoral linkages, and stimulating investment in productive service sectors.

Keywords: *Economic Structure Transformation; Location Quotient; Shift Share; Klassen Typology; Regional Development; Sectoral Analysis*

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1. Introduction

The economy of a region experiences dynamics that are reflected in fluctuations in the production and consumption of goods and services over time. The growth of economic activity is a process of continuous change aimed at achieving better economic conditions within a certain period (Woestho and Sulistyowati, 2021). In the context of regional economic development, sustainable economic growth is the main

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strategy to achieve development goals, with GRDP (Gross Regional Domestic Product) often used as a primary indicator. However, although GRDP reflects the formal contribution of sectors to economic output, it has limitations—particularly in capturing informal economic activities, income distribution, and non-monetized contributions, which are increasingly relevant in evaluating inclusive development performance.

As population growth continues to increase, economic needs are also rising, requiring enhanced income and productive capacity, commonly reflected through GRDP growth (Sharazati et al., 2021). Nevertheless, reliance on GRDP alone may obscure disparities across sectors and regions. Thus, structural transformation—shifting from a predominantly primary-sector economy to one driven by industry and services—is crucial. This transition aligns with the sustainable development framework, especially in relation to decent work, economic diversification, and reduced inequality as outlined in the Sustainable Development Goals (SDGs).

Based on business classification, there are seventeen economic sectors categorised into three main groups: primary, secondary, and tertiary. The primary sector includes agriculture and mining; the secondary sector encompasses manufacturing, electricity and gas, and construction; while the tertiary sector consists of various service industries (Imbran, 2022). The diversification of economic sectors is essential for improving welfare and creating wider employment opportunities, especially in regions with overreliance on primary commodities. Sectoral expansion beyond agriculture is often associated with improvements in income equality and economic resilience (Sishidiyati et al., 2022).

In the context of Banyuwangi Regency, the primary sector still dominates, with agriculture, forestry, and fisheries contributing the largest share to GRDP, amounting to 15,437.27 billion rupiah in 2023. This reliance mirrors the economic structure of many rural regencies in East Java. However, compared to other regions with similar profiles—such as Jember and Situbondo—Banyuwangi shows unique development potential due to its strategic coastal location, tourism growth, and infrastructure improvements. Therefore, examining Banyuwangi as a case study offers insights not only into its internal transformation but also into how its path differs from comparable regencies.

Optimal economic growth plays an important role in creating employment opportunities, as increased production will trigger broader economic activities. GRDP remains a central indicator for measuring economic performance, yet its interpretation should be supported by complementary analyses that reveal structural patterns. Hence, this study aims to identify leading sectors and examine the transformation of the economic structure of Banyuwangi Regency using a combination of Location Quotient (LQ), Shift Share analysis, and Klassen Typology—approaches that provide a multidimensional view of sectoral dynamics, comparative advantages, and regional development stages.

2. Theoretical Background

The transformation of regional economic structures is a central theme in development economics, particularly in addressing disparities in sectoral contributions and regional income. According to classical economic growth theories, structural transformation involves a shift in the dominance of economic sectors from the primary sector (agriculture, forestry, and fisheries) to the secondary (manufacturing and construction) and tertiary sectors (services). This process is seen as a critical pathway to achieving sustainable economic development and improved welfare (Sartika & Susilawati 2024). In the context of Banyuwangi Regency, which is still largely dependent on the primary sector, the Sartika & Susilawati (2024) framework provides a useful lens to evaluate how far the region has progressed toward a more diversified and resilient economic structure. The theory implies that as income levels rise and productivity improves, the relative contribution of primary sectors declines while industrial and service sectors expand.

The **Location Quotient (LQ)** method is grounded in economic base theory, which posits that regional growth is driven by sectors that export goods and services beyond regional boundaries, thus bringing external income into the region. A sector with an LQ greater than 1 is considered a basic or leading sector, indicating regional specialization and potential comparative advantage (Ayuningtyas et al., 2023). In Banyuwangi's case, identifying such sectors is essential to understanding which economic activities act as primary growth engines and how their evolution reflects structural change.

Complementing LQ, the **Shift Share** analysis offers a dynamic perspective by decomposing regional economic growth into three effects: the national growth effect, the industrial mix effect (proportional shift), and the regional competitive effect (differential shift). This method, introduced by Nabila et al. (2023) helps distinguish whether a sector's growth is primarily driven by national trends or by specific local competitive advantages. For a region like Banyuwangi, which is undergoing an economic transition, Shift Share analysis helps highlight whether local policy, investment, or resource endowments contribute to the growth of particular sectors beyond broader macroeconomic trends.

The **Klassen Typology**, introduced by Leo Klassen (1965), classifies regions into four quadrants based on the rate of economic growth and per capita income. This typology serves as a diagnostic tool for situating a region's development position relative to others. While it is often used descriptively, its integration with LQ and Shift Share frameworks provides a more comprehensive understanding of structural transformation. For instance, if a region moves from Quadrant IV (relatively underdeveloped) to Quadrant II (Rapidly Developing Area), this shift can be examined alongside changes in the number and nature of basic sectors (via LQ) and growing sectors with local advantage (via Shift Share). In this way, the three methods work synergistically to capture both the static and dynamic dimensions of regional economic change.

Together, these analytical tools offer a robust theoretical foundation for assessing the economic transformation in Banyuwangi Regency. They not only reveal patterns of sectoral change but also help interpret how these shifts align with broader development trajectories and policy priorities.

3. Methodology

This study employs a descriptive quantitative approach to systematically examine the structural transformation of Banyuwangi Regency's economy based on sectoral contribution data. The analysis utilizes secondary data sourced from the Central Bureau of Statistics (BPS), specifically the Gross Regional Domestic Product (GRDP) at constant prices for Banyuwangi Regency and East Java Province from 2019 to 2023. The selection of the 2019–2023 period is based on the intention to capture the most recent post-pandemic economic dynamics while ensuring data consistency. Earlier periods, although potentially useful for long-term trend analysis, were excluded due to changes in sectoral classification codes (KBLI revisions) and potential discontinuities in data reporting methods. Furthermore, including pre-2019 data would introduce comparability issues that may compromise the reliability of longitudinal sectoral analyses.

Three analytical methods were applied: Location Quotient (LQ), Shift Share, and Klassen Typology. These methods were selected to capture different dimensions of structural change, including sectoral specialization, competitive performance, and relative development status. The theoretical underpinnings of each method have been discussed in the previous section; thus, this section focuses strictly on their empirical application. LQ was used to identify base sectors in Banyuwangi by comparing their contribution to GRDP relative to the provincial average. Shift Share analysis was conducted to decompose sectoral growth into proportional and differential components, identifying sectors with local competitive advantages. Lastly, Klassen Typology was applied to map Banyuwangi's quadrant classification based on economic growth rate and GRDP per capita.

While BPS is the primary and most authoritative source for regional economic data in Indonesia, limitations remain. GRDP figures, though standardized, may underrepresent informal sector activities, which are particularly significant in semi-urban and rural areas such as Banyuwangi. Additionally, the data is subject to periodic revisions, and its sectoral granularity may obscure intra-sector disparities. These limitations should be considered when interpreting the results and formulating policy implications. To mitigate data reliability risks, cross-referencing was conducted with supporting sources such as academic literature, government reports, and regional development planning documents. Nonetheless, the study acknowledges that the analysis is constrained by the accuracy, completeness, and classification schemes inherent in the available statistical data.

4. Empirical Findings/Results

Analysis of the Economic Structure of Banyuwangi Regency 2019-2023
Analysis of the economic structure of Banyuwangi Regency during the 2019-2023 period was carried out using three main approaches, namely Location Quotient (LQ), Shift Share, and Klassen Typology, in order to obtain a comprehensive picture of the direction of regional economic transformation. Based on the results of the LQ calculation, the basic sectors in Banyuwangi Regency that have an LQ value > 1 in 2019 include Agriculture, Forestry and Fisheries (2.77), Mining and Quarrying (1.62), Construction (1.41), Transportation and Warehousing (1.02), and Education Services (1.28). However, in 2023 there is a significant change, where only four sectors remain as basic sectors, namely Agriculture (2.63), Mining (1.94), Construction (1.44), and Educational Services (1.29). The Transport and Warehousing sector has decreased to 0.96, so it is no longer classified as a base sector. These findings suggest a shift in comparative advantage among economic sectors and indicate a gradual process of economic structure transformation.

According to Harry W. Richardson's economic base theory (Ayuningtyas et al., 2023), the economic growth of a region is influenced by base sectors that are able to produce output to be exported outside the region. A decline in the LQ value of the Transport sector indicates a decline in the sector's specialisation, which could be due to changes in technology, investment patterns or market demand. Meanwhile, sectors such as Mining and Construction show increasing LQ values, reflecting their strengthening position in the regional economy. The Manufacturing Industry sector still has an LQ < 1 (0.42), which means it is not yet a leading sector, but still shows a stable growth trend.

Location Quotient (LQ) Analysis
Location Quotient (LQ) analysis was used to identify base and non-base sectors in the economy of Banyuwangi Regency. A base sector has an LQ value > 1 indicating that the sector is specialised (base sector) and has the potential to be exported. The following are the results of the LQ analysis for the 2019-2023 period:

Table 1. *Location Quotient* Analysis Results of Banyuwangi Regency in 2019-2023

SECTOR	2019	2020	2021	2022	2023
Agriculture, Forestry and Fisheries	2,77	2,70	2,68	2,64	2,63
Mining and Quarrying	1,62	1,58	1,67	1,91	1,94
Processing Industry	0,39	0,40	0,42	0,42	0,42
Electricity and Gas Procurement	0,19	0,20	0,19	0,19	0,16
Water Supply; Garbage, Waste Management, and Recycling	0,67	0,68	0,67	0,70	0,69
Construction	1,41	1,40	1,42	1,43	1,44
Wholesale and Retail Trade; Automobile and Motorcycle Repairs and Motorcycles	0,88	0,89	0,88	0,89	0,89

SECTOR	2019	2020	2021	2022	2023
Transport and Warehousing	1,02	1,01	0,98	0,97	0,96
Provision of Accommodation and Meals	0,51	0,49	0,49	0,52	0,53
Information and Communication	0,96	0,96	0,96	0,98	0,98
Financial and Insurance Services	0,71	0,72	0,72	0,72	0,73
Real Estate	0,93	0,92	0,93	0,94	0,94
Corporate Services	0,30	0,31	0,31	0,31	0,31
Government Administration, Defence, and Compulsory Social Security	0,99	0,97	0,95	0,97	0,99
Education Services	1,28	1,29	1,29	1,29	1,29
Health and Social Services	0,59	0,64	0,63	0,64	0,64
Other Services	0,93	0,95	0,94	0,98	0,98

Source: *data processed, 2025*

This section presents the findings of the economic structure analysis of Banyuwangi Regency during 2019–2023, using Location Quotient (LQ), Shift Share, and Klassen Typology methods, accompanied by detailed interpretations and theoretical reflections.

Table 1 shows the LQ values for various economic sectors in Banyuwangi. In 2019, five sectors were classified as basic sectors with LQ values above 1: Agriculture, Forestry and Fisheries (2.77), Mining and Quarrying (1.62), Construction (1.41), Transportation and Warehousing (1.02), and Educational Services (1.28). By 2023, the Transportation and Warehousing sector's LQ decreased to 0.96, falling below the threshold to no longer be considered a base sector.

This decline indicates a relative loss of specialization and competitiveness in the transportation sector compared to the broader provincial economy. Several factors may explain this trend, including infrastructure bottlenecks, changes in regional trade patterns, or technological shifts reducing demand for traditional transportation and warehousing services. The decline contrasts with Banyuwangi's strategic geographic position, which suggests that infrastructural or policy challenges might be hindering the sector's potential growth.

In contrast, the Mining and Quarrying sector exhibited an increase in LQ from 1.62 to 1.94 despite a global downturn in commodity prices during the same period. This apparent contradiction challenges the conventional application of Richardson's (1973) economic base theory, which expects sectors with strong external demand to drive regional growth. The increase in mining's LQ could reflect localized factors such as intensified domestic exploitation, regulatory shifts favoring mining activities, or new investments that have bolstered the sector independent of global trends. This suggests that regional development trajectories may sometimes diverge from global economic cycles due to local policy environments or resource endowments.

Based on the results of the Location Quotient (LQ) analysis, Banyuwangi Regency has five basic sectors in 2019 which include Agriculture, Forestry, and Fisheries, Mining and Quarrying, Construction, Transportation and Warehousing (LQ = 1.02),

and Educational Services. In 2023, there was a change where only four sectors remained the basis of the regional economy, namely Agriculture, Forestry and Fisheries, Mining and Quarrying, Construction, and Educational Services. A significant change occurred in the Transport and Warehousing sector which decreased from a base of 1.02 to a non-base of 0.96. The sector lost from the base category due to its shrinking growth.

The economic base theory proposed by Harry W. Richardson (1973) states that the main factor driving the economic growth of a region is the demand for goods and services from outside the region. Richardson explains that industries that utilise local resources for export will generate regional wealth and create employment opportunities (Pratama, 2020). In the context of regional growth, changes in the economic structure of Banyuwangi Regency can be understood through the concepts of regional specialisation and polarisation of development. The decline in the LQ value of the Transportation and Warehousing sector below 1 indicates a shift in comparative advantage, where this sector is no longer able to compete effectively with other regions. This could be due to changes in investment patterns, technological transformation, or shifts in market preferences that affect economic activity in Banyuwangi Regency. Sectors that are no longer the base of the economy show slower growth compared to the same sector at the provincial level.

***Shift Share* Analysis (SS)**

The Shift Share analysis highlights sectors experiencing above-average growth and local competitive advantages. The number of sectors with positive Differential Shift (DS) values increased from five in 2019–2020 to ten in 2022–2023, signaling widening regional competitiveness.

Notably, the Processing Industry showed the highest positive DS (113.57), suggesting emerging strength as a value-added sector. This aligns with broader development goals emphasizing industrial diversification. However, other sectors with positive DS, such as Accommodation and Food Provision and Corporate Services, may differ in their socio-economic impacts. While they contribute to economic diversification, the quality and inclusivity of growth depend on factors like labor intensity and wage levels, which require further analysis beyond the current scope.

Shift share analysis enriches this interpretation by highlighting sectors that experience relatively high growth (positive PS) and sectors with locational advantages (positive DS). In the 2019-2020 period, there were nine sectors with positive PS, but this number decreased to eight sectors in 2022-2023, such as Electricity and Gas Procurement, Construction, Trade, Transportation, Accommodation and Drinking Food, Information and Communication, Corporate Services, and Other Services. Interestingly, the Agriculture sector, which previously recorded a high positive PS (515.52), actually decreased to a negative PS (-406.91), indicating that the growth of this sector is slowing down compared to the province.

In terms of DS, a significant increase occurred from five sectors in 2019-2020 to ten sectors in 2022-2023, including Manufacturing Industry (113.57), Mining and Quarrying (81.57), Trade (78.34), and others. This indicates an expansion of regional

competitiveness, in line with Hollis Chenery's structural transformation theory, where rising incomes and productivity drive a shift from primary to secondary and tertiary sectors. François Perroux's growth centre theory also explains this phenomenon as a spillover effect of a leading sector triggering the growth of other sectors, while W. Arthur Lewis's dual-sector model describes the shift of labour from low-productivity sectors (agriculture) to modern, high-value-added sectors (industry and services).

The shift share analysis in this study uses two components: proportional shift (PS) and differential shift (DS). In 2019-2020, there were 9 sectors with positive PS values that grew faster than the national average, including Agriculture, Forestry, and Fisheries; Manufacturing; Water Supply; Information and Communication; Financial Services and Insurance; Real Estate; Government Administration; Educational Services; and Health Services. In 2022-2023, this number decreases to 8 sectors, namely Electricity and Gas Procurement; Construction; Trade; Transportation; Accommodation Provision; Information and Communication; Corporate Services; and Other Services.

For the DS component with a positive value indicating local advantage, there was an increase from 5 sectors in 2019-2020, namely Manufacturing Industry; Electricity and Gas Procurement; Corporate Services; Health Services; and Other Services. This number increased in 2022-2023 to 10 sectors, including Mining; Processing Industry; Construction; Trade; Accommodation Provision; Information and Communication; Financial Services; Real Estate; Government Administration; and Health Services. Sectors that are missing from the positive PS component indicate that the sector is starting to shrink in growth compared to the national average.

Changes in sector composition in the PS and DS components can be explained through Hollis Chenery's structural transformation theory. Chenery emphasises that in the process of economic development, the economic structure of the region will shift from the dominance of primary sectors to secondary and tertiary sectors as per capita income increases. The increase in the number of sectors with positive DS from 5 to 10 sectors indicates the expansion of competitiveness from a few limited sectors to more sectors, which indicates the transition stage of the Banyuwangi Regency economy towards a more advanced economic structure. This shift is in line with the general pattern of development identified by Chenery, where structural change is characterised by output diversification and increased productivity in various economic sectors (Sinta, 2024).

François Perroux's (1950) growth centre theory is also relevant to explain this phenomenon. Perroux argues that growth does not occur evenly, but rather emerges at certain points or poles with different intensities and spreads through various channels with diverse effects. The emergence of more sectors with positive DS indicates a spillover effect from favoured sectors to other sectors. Meanwhile, W. Arthur Lewis' theory of economic development can also explain the transition, particularly through the concept of a dual-sector economy, where there is a movement of labour from low-productivity traditional sectors to high-productivity modern sectors. The increase in positive DS values in the secondary and tertiary sectors

indicates an increase in productivity and relative competitiveness in these sectors, which indicates that structural transformation is taking place in Banyuwangi Regency.

Klassen typology

According to Klassen Typology, Banyuwangi moved from Quadrant IV (relatively underdeveloped) to Quadrant II (Rapidly Developing Area) between 2019–2020 and 2022–2023. This suggests that although the region's economic growth rate has surpassed the provincial average, its GRDP per capita remains below the provincial benchmark.

The narrative of "catch-up growth" warrants critical examination. The persistence of low per capita income despite sectoral shifts may be explained by the concentration of growth in capital-intensive sectors with limited employment generation or wage increases. Additionally, population growth could dilute per capita income gains. Another possibility is that the structural transformation is at an early stage, where output diversification has not yet translated into substantial improvements in income distribution or productivity for the wider population.

Thus, while the quadrant shift indicates progress, it also reveals underlying challenges in ensuring that growth is inclusive and translates into improved living standards. Addressing these issues requires complementary policies focused on human capital development, wage policies, and enhancing linkages between sectors to promote broader-based economic benefits.

The results of the Klassen Typology analysis show an improvement in the status of Banyuwangi Regency from Quadrant IV (Relatively Underdeveloped Region) in 2019-2020 to Quadrant II (Rapidly Developing Area) in 2022-2023. This change shows that although Banyuwangi's per capita income is still below the average of East Java Province, its economic growth rate is now surpassing the provincial growth rate. The Klassen typology, developed by Leo Klassen in 1965, classifies regions based on two main indicators, namely economic growth and per capita income. Based on this theory, Banyuwangi's condition reflects a process of economic catching-up, where lagging regions begin to show faster growth to catch up.

This shift in quadrant position is clear evidence that Banyuwangi's economic transformation has entered a meaningful acceleration phase with a stronger growth impetus. This positive transition also reflects the success of regional economic development policies in encouraging the development of leading sectors. This phenomenon is a positive signal that Banyuwangi Regency is on the path to economic equality with other regions, although continuous efforts are still needed to increase per capita income to match or exceed the provincial average (Saragih *et al.*, 2021).

5. Discussion

Based on the results of research conducted on the economic sector structure of Banyuwangi Regency during the 2019–2023 period, several important findings were obtained. First, Banyuwangi Regency has four main base sectors with Location Quotient (LQ) values above 1, namely the Agriculture, Forestry and Fisheries sector

(2.63), Mining and Quarrying (1.94), Construction (1.44), and Education Services (1.29). These four sectors show great potential as the main drivers of regional economic growth, in line with similar findings in East Java where agriculture and mining sectors remain dominant in regional economic structures (Ayuningtyas et al., 2023).

Second, during the observation period, there was a change in the composition of the basic sectors. The Agriculture sector experienced a decrease in LQ value from 2.77 to 2.63, while the Mining and Quarrying sector showed a significant increase from 1.62 to 1.94, indicating the beginning of the economic transformation process in Banyuwangi Regency. This trend reflects a structural shift seen in other regions of Indonesia as resource-based economies diversify toward extractive and secondary sectors (Sartika & Sulistiawati, 2024).

Third, based on the results of the Shift Share analysis, there are eight sectors that grow relatively faster than the provincial average (positive PS value), with the Transportation and Warehousing sector recording the highest growth (141.90). This is closely related to the strategic geographical position of Banyuwangi Regency as the largest region in East Java with a long coastline. Such spatial advantages are crucial in shaping local competitiveness and often correlate with accelerated growth in logistics-related sectors (Nabilla et al., 2023).

Fourth, ten sectors with positive Differential Shift (DS) values were found, indicating local advantages and potential regional competitiveness. Among these sectors, the Processing Industry occupies the highest position (113.57), so it can be a priority sector for value-added-based economic development. This aligns with regional development strategies emphasizing downstream industries as growth multipliers (Purwasis et al., 2023).

Finally, the results of the Klassen Typology analysis show an improvement in the status of Banyuwangi Regency from Quadrant IV (Relatively Underdeveloped Region) in 2019–2020 to Quadrant II (Rapidly Developing Area) in 2022–2023. Although the district's economic growth rate has exceeded the provincial average, its GRDP per capita is still below the average, so it has not been able to elevate Banyuwangi to the category of fast-developing and fast-growing regions (Quadrant I). This mirrors findings in other Indonesian regions where growth performance outpaces income convergence, signaling structural transformation in progress (Pangow et al., 2023).

6. Conclusions

This study reveals that Banyuwangi Regency’s economy underwent significant structural transformation over the period 2019–2023. Through the integrated use of Location Quotient, Shift Share, and Klassen Typology methodologies, the analysis identified a reorganization of the region’s economic base, with a decline in the number of leading sectors from five to four. The Transportation and Warehousing sector

notably lost its status as a base sector, while Mining, Construction, and Education sectors remained central to the regional economy. This shift reflects evolving comparative advantages and sectoral dynamics within Banyuwangi's development trajectory.

Despite these positive indications of sectoral diversification and improving competitiveness, several critical challenges remain that could undermine the sustainability and inclusiveness of growth. The economy's continued reliance on capital-intensive sectors with relatively low employment elasticity may limit broad-based job creation, thereby constraining poverty alleviation and social mobility. Furthermore, the region remains vulnerable to external shocks, particularly fluctuations in global commodity prices, as evidenced by the mining sector's prominence despite volatile market conditions. Additionally, the persistently low per capita income levels relative to provincial averages indicate that economic growth has not yet translated into equitable income distribution, raising concerns about structural inequality.

To mitigate these challenges, policy interventions need to be both strategic and precise. Fiscal incentives, such as tax holidays or subsidies, could be employed to stimulate investment in manufacturing industries that add local value and generate employment. Infrastructure development—especially in transport and logistics—must be prioritized to overcome bottlenecks that constrain the productivity and competitiveness of affected sectors like Transportation and Warehousing. Moreover, strengthening human capital through targeted vocational and technical training programs aligned with sectoral demands is essential to enhance labor productivity and support economic diversification. Encouraging stronger linkages across sectors could further catalyze multiplier effects, fostering inclusive growth that benefits a wider segment of the population.

In conclusion, while Banyuwangi Regency is on a trajectory indicative of structural economic progress, achieving sustainable and inclusive development requires a comprehensive, data-driven policy framework that addresses both the qualitative and quantitative dimensions of growth. Continuous monitoring, adaptive policy design, and stakeholder engagement will be critical to ensure that the expansion of leading sectors results in meaningful improvements in welfare and resilience against future economic uncertainties.

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