

## **ABSTRACT**

### ***Identification and Rank of Regional Competitiveness among City and Regencies in the Special Region of Yogyakarta Province (Indonesia)***

One consequence of globalization trend is the higher level of competitiveness. This has affected Indonesia who is going through a harsh adaptation process. Regional autonomy in Indonesia will give more authority to the regional government because it ultimately has the right to administer its own system of government in a manner that will accommodate its own laws, ethics and local traditions. This challenge should become opportunity to increase its regional competitiveness among other regional governments as a determinant for the success of the development of its regional governments. Thus, each region can generate higher and more inclusive level of wealth while remaining exposed to domestic and international competition. This research is, therefore, aimed at identifying and determining the rank of regional competitiveness among city and regency in the Special Region of Yogyakarta Province; one of 32 provinces in Indonesia and famous as the center of culture and education and a tourist destination as well.

This research has attempted to present the potential and future chances of regional economy that can be used as the measurement of regional competitiveness for each region in the Special Region of Yogyakarta Province. These were through the study of 131-items as indicator to measure regional competitiveness for each region by using Delphi Method, and are sub-divided into 9 main variables of domestic economy, openness, financial structure, infrastructure and natural resources, science and technology, human resources, institutions, governance and government policies, and management and microeconomic factors. These variables are of two kinds: first, published data from a variety of sources that are available on a city or regency basis; and second, survey data that reveal perceptions about doing business in each region by 333-local entrepreneurs. The research results also provided an evaluation for identifying strengths and weaknesses of each region by Regional Competitiveness Balance Sheet. It will bring sharper policy-orientation needed by the region. It may also give a more focus for the region on selecting the prioritized targets of variables for amelioration and improvements.

From the study, it has been found that **Yogyakarta as the capital city in the Special Region of Yogyakarta Province ranks 1<sup>st</sup>. However, this researcher intends to study the four regencies in this Province where Sleman was rank 1<sup>st</sup> within all regencies (2<sup>nd</sup> rank within province), and Bantul, Gunungkidul, Kulon Progo is the next rank respectively.**

Kruskall-Wallis Test was adopted to test the differences of regional competitiveness among the city and regencies in the Special Region of Yogyakarta Province. From the test, it can be concluded that since the Kruskall-Wallis value (33.232) is greater than 9.49 and the p-value is much smaller than 0.05, the Kruskall-Wallis test agrees with the parametric test that the five regions do not perform equally well. Thus, **there are significant differences of regional competitiveness among the city and regencies in the Special Region of Yogyakarta Province.**

*Keywords: Competitiveness, Regional Competitiveness, Yogyakarta*