GIJEA
Greenation International Journal of Economics and Accounting
+62 81210467572 https://research.e-greenation.org/GIJEA greenation.info@gmail.com
GREENATION RESEARCH

DOI: https://doi.org/10.38035/gijea.v4i5.1175
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Received: 05 July 2026 | **Revised:** 08 July 2026 | **Accepted:** 06 November 2026

Dual Sector Strategy Based on SWOT Analysis for Economic Transformation of Jambi Province Towards Regional Economic Sovereignty

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Abstract: The article entitled Dual Sector Strategy Based on SWOT Analysis for Economic Transformation of Jambi Province Towards Regional Economic Sovereignty examines the development strategy of Jambi Province, which has abundant natural resources but still faces sectoral imbalances and low competitiveness. The research object is Jambi Province with a focus on the primary sector and the service and industrial sectors. The objectives of the study are to map the strengths, weaknesses, opportunities, and threats of both sectors in parallel and to formulate prioritized and implementable Dual Sector strategies. The methods used are literature review, analysis of secondary data from Statistics Indonesia and the Jambi Provincial Development Planning Agency, and document study of the Regional Medium-Term Development Plan. The results show that synergy between agriculture, plantation, and mining sectors with tourism, creative economy, and downstream industries is key to reducing dependence on raw commodities and increasing economic value added. In conclusion, the appropriate and integrated implementation of the Dual Sector strategy is necessary for Jambi Province to utilize the demographic bonus in the year two thousand thirty and achieve inclusive and equitable economic transformation.

Keyword: Development Strategy, Dual Sector, SWOT Analysis, Jambi Province, Economic Transformation.

INTRODUCTION

Jambi Province is one of the regions in Sumatra with significant natural resource potential, including oil palm, rubber, oil and gas, and coal (BPS Jambi Province, 2024). According to BPS data, the agriculture, forestry, and fisheries sector contributed 28.34% to Jambi's Gross Regional Domestic Product (GRDP), making it the dominant sector. However, the high contribution of the primary sector is not commensurate with improvements in community welfare. The Human Development Index (HDI) of Jambi Province in 2023 was

recorded at 72.48, still below the national average of 74.39 (BPS. This phenomenon indicates the presence of a "resource curse", a condition in which resource-rich regions experience non-inclusive economic growth (Sachs & Warner, 2001).

The fundamental problem in Jambi's development lies in its undiversified economic structure. Development policies that focus solely on the extraction and export of raw commodities have created inter-regional and inter-sectoral disparities (Todaro & Smith, 2020). Meanwhile, the service, manufacturing, and creative economy sectors have not developed optimally, resulting in limited absorption of qualified labor (Bappeda Jambi Province, 2023).

In this context, the Dual Sector approach becomes relevant. Lewis, in his dual-economy model, emphasized the importance of a simultaneous structural transformation from the traditional sector to the modern sector. In the context of regional development, Dual Sector is interpreted as a strategy that strengthens the primary sector and the service/industrial sector in parallel and in a mutually reinforcing manner. This approach is expected to break the chain of dependence on a single commodity and create a longer value chain within the region.

Although the Dual Sector concept has been widely discussed, empirical studies that integrate a parallel SWOT analysis of the two main sectors in Jambi Province remain limited. Most SWOT studies in Jambi are descriptive and have not produced prioritized and applicable strategy formulations. Meanwhile, by 2030, Jambi Province will reach the peak of its demographic bonus, when the proportion of the productive-age population is at its highest (BPS). If not anticipated through appropriate strategies, the demographic bonus has the potential to become a demographic burden in the form of unemployment and poverty (United Nations, 2017).

Based on this research gap, this study aims to: 1) Map the internal and external factors of Jambi Province through a SWOT analysis of the primary and service/industrial sectors; 2) Formulate prioritized Dual Sector strategies for Jambi Province's development; and 3) Examine the policy implications of these strategies for regional competitiveness and economic transformation. With the "1x review accept" Memorandum of Understanding between GIJEA and Batanghari University, this article is expected to provide tangible contributions to development policy formulation in Jambi Province.

METHOD

This study employs a descriptive qualitative approach with a case study strategy. This approach was selected to gain an in-depth understanding of the phenomenon of Jambi Province's development strategy through the lens of Dual Sector and SWOT analysis, rather than to test hypotheses quantitatively. The type of research is classified as applied research because its output is intended to produce practical policy recommendations for the regional government.

The research object is Jambi Province with an analytical focus on two main sectors, namely the primary sector which includes agriculture, plantations, and mining, and the service and industrial sectors which include tourism, the creative economy, and downstream industries. The subjects of the research are the data and policy documents on Jambi Province development for the period of two thousand twenty one to two thousand twenty six.

The research was conducted from September to October two thousand twenty five, with the analytical location centered on Jambi Province data. Data collection was carried out through literature review and document study. The main research instruments were a document analysis sheet containing a SWOT matrix and a content analysis guide for the Regional Medium-Term Development Plan documents, Statistics Indonesia statistical reports, and relevant scientific publications.

The research procedure was carried out in three stages. First, collecting secondary data from official government sources and academic literature. Second, reducing and classifying the data into the four SWOT elements for each sector in parallel. Third, synthesizing strategies using the SWOT matrix to produce prioritized Dual Sector strategies. The data analysis techniques used were qualitative content analysis and comparative SWOT analysis. Data validity was ensured through source triangulation by comparing data from Statistics Indonesia, the Regional Development Planning Agency, and scientific literature.

RESULT AND DISCUSSION

The data analysis reveals that Jambi Province has an economic structure that is highly dependent on the primary sector, particularly oil palm plantations, rubber, and coal mining. The contribution of the primary sector to Jambi Province's Gross Regional Domestic Product in the year two thousand twenty three was recorded at twenty eight point three four percent, significantly higher than the manufacturing and service sectors. This condition creates vulnerability to global commodity price fluctuations and results in most of the economic value added being captured outside the region due to the export of raw materials.

The results of the parallel SWOT analysis on the two main sectors are presented in Table 1. This table serves as the basis for formulating the Dual Sector strategy.

Table 1. Parallel SWOT Matrix of the Primary Sector and the Service and Industrial Sectors in Jambi Province

SWOT Element	Primary Sector: Agriculture, Plantation, Mining	Service and Industrial Sectors: Tourism, Creative Economy, Downstream Industry
Strengths	Possesses extensive productive land and abundant natural resource reserves. The labor force is experienced in the agrarian sector.	Possesses rich Malay cultural heritage, natural ecosystems, and a biosphere reserve with high market value.
Weaknesses	Dependence on raw commodities with low value added. Downstream processing infrastructure is not evenly distributed.	The quality of human resources in the service sector is still low. Marketing access and digitalization for micro, small, and medium enterprises are limited.
Opportunities	National downstreaming policies and increasing demand for sustainable palm oil products.	The growing trend of nature and culture-based tourism. The growth of the digital economy opens new markets.
Threats	International sustainability standards and deforestation issues limit exports. Fluctuations in global commodity prices.	Competition from more advanced regional tourism destinations. Lagging digital infrastructure in hinterland areas.

Source: Research data

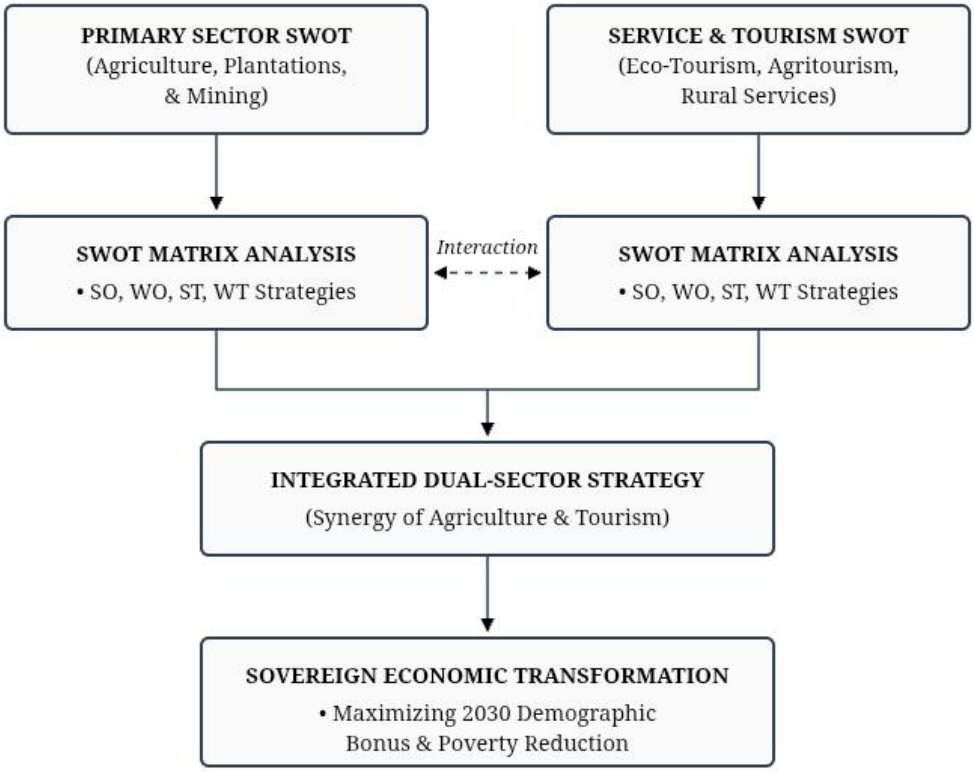
Based on Table 1, four priority Dual Sector strategies can be formulated to address the research problem.

1. First, the Strength-Opportunity strategy involves accelerating the downstream processing of oil palm and rubber within Jambi Province, in parallel with developing culture-based and ecotourism packages. This synergy aims to extend the value chain within the region.
2. Second, the Weakness-Opportunity strategy involves enhancing human resource capacity through industrial vocational training and digital tourism to meet the needs of the growing service sector.
3. Third, the Strength-Threat strategy involves implementing plantation sustainability certification and environmentally friendly mining practices to respond to international export standards.
4. Fourth, the Weakness-Threat strategy involves developing digital and logistics infrastructure between regions to reduce disparities between growth centers and hinterland areas.

This discussion confirms that a single-sector approach is no longer relevant for Jambi. If the strengthening of the primary sector is not balanced with the acceleration of the service and industrial sectors, Jambi Province will remain trapped in commodity dependence and will fail to capitalize on the demographic bonus in the year two thousand thirty. Therefore, the integrated implementation of the Dual Sector strategy is an absolute requirement to achieve inclusive and sovereign economic transformation.

This section contains the data (in summarised form), data analysis and interpretation of the results. Results can be presented with tables or graphs to clarify verbal results, because sometimes the display of an illustration is more complete and informative than the display in the form of a narrative.

The discussion section should answer the research problem or hypothesis that has been formulated previously.



Source: Research Data

Figure 1. Dual Sector Strategy Framework Based on Parallel SWOT Analysis for Jambi Province

The integrated strategy model is illustrated in Figure 1. The framework shows that strategies from both the primary sector and the service-industrial sector must be formulated in parallel through SWOT analysis before being integrated into a Dual Sector Strategy to achieve economic transformation.

CONCLUSIONS AND RECOMMENDATIONS

The study concludes that the Dual Sector strategy based on parallel SWOT analysis is an appropriate framework for the economic transformation of Jambi Province towards regional economic sovereignty, as stated in the title. The research findings demonstrate that Jambi Province cannot achieve inclusive growth by relying solely on the primary sector. The integration of strengths in agriculture, plantation, and mining with the opportunities in tourism, creative economy, and downstream industry is required to reduce commodity dependence, extend the regional value chain, and improve competitiveness. This integrated approach directly answers the research objective of formulating prioritized and

implementable strategies for the province. In terms of scientific contribution, this study advances the field of regional development and industrial engineering by providing an applied model of parallel sectoral SWOT analysis that can be replicated in other resource-rich regions facing similar structural imbalances. The model offers a practical tool for policymakers to design integrated economic policies rather than sectoral ones. Therefore, the immediate and coordinated implementation of the Dual Sector strategy is essential for Jambi Province to utilize the demographic bonus in the year two thousand thirty and to realize a more equitable and sovereign regional economy.

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