ICON–BE 2022

The 2nd ICON-BE

Kampus Merdeka
INDONESIA JAYA

PROCEEDING

The 2nd International Conference On Business And Economics

"Acceleration of Innovation Reconfiguration and Digital Economy Development in an Archipelagic Country Post Covid-19 Pandemic"

Dipublikasi Online pada:
Pattimura Proceeding: Conference of Science and Technology

PROCEEDING

THE 2ND INTERNATIONAL CONFERENCE ON BUSINESS AND ECONOMICS

"Acceleration of Innovation Reconfiguration and Digital Economy Development in an Archipelagic Country Post Covid-19 Pandemic"

Ambon, October 15th 2022

Published by Universitas Pattimura

e-ISSN: 2829-3770
DOI issue: https://doi.org/10.30598/PattimuraSci.2023.ICONBE2

Published online on:
Pattimura Proceeding: Conference of Science and Technology

Indexed by:

May 2023

Proceeding Team

Editor:
Paskanova C. Gainau, SE. M.Ak (Chairman)
Erfendi Regar, SE. M.M. (Member)
Oki Nurul Asma Tualeka, SE (Member)
Dr. Pieter Agusthinus Riupassa (Member)

Cover Design:
The 2nd Icon Be Team
Size: 29.7 x 21 cm

Reviewer:
1. Fransiska N. Ralahallo, SE. M.Sc
2. Paskanova C. Gainau, SE. M.Ak
3. Erfendi Regar, SE. M.M.
4. Yopi Andry Lesnussa, S.Si. M.Si
5. Taufan Talib, S.Pd. M.Si

Description of Cover Background Image:

Photo "Faculty of Economics and Business Building, B Building, Pattimura University." – A building that was inaugurated in 2020 will provide space intended for 4000 students who are included in the UNPATTI plan. This was made a priority by the Ministry of Research, Technology, and Higher Education and the Minister of Finance of the Republic of Indonesia, and was followed up by Bappenas and 2019 SBSN funding. The building shape that looks like a ship is taken from the Principal Scientific Pattern of Pattimura University, namely Bina Mulia Maritime Affairs. This indicates that the Faculty of Economics and Business is ready to oversee economic development in Maluku based on islands. The Faculty of Economics at Pattimura University itself has three main buildings supporting lectures with two floors, all located within the Poka Campus of Pattimura University. In general, lecture buildings are equipped with various lecture support facilities. These facilities include air-conditioned lecture halls supported by multimedia equipment, computer laboratories, libraries, auditoriums, student canteens, gazebos, internet hotspots, and motorized vehicle parking lots.

Preface

This proceeding was prepared based on the outcomes of the international seminar on the 2nd ICON-BE activity by theme "**Acceleration of Innovation Reconfiguration and Digital Economy Development in an Archipelagic Country Post COVID-19 Pandemic**", held on October 15, 2022, at the Swiss Bell Hotel in Ambon. The seminar is being held in order to provide constructive scientific thinking to the government and other stakeholders in order to ensure the establishment of the Post-COVID-19 Pandemic Digital Economy, as the subject has been suggested. This seminar's scientific concepts were gathered from researchers, professors, and practitioners.

This international seminar activity was attended by participants consisting of experts, researchers, academics, representatives of the Ministry of Tourism and Creative Economy, as well as practitioners in the fields of business and tourism.

We appreciate the Minister of Tourism and Creative Economy for sharing his thoughts on the need to build a post-pandemic digital economy, particularly in island nations. With the issue raised, gratitude and appreciation are also expressed to the invited speakers, including Mrs. Prof. Dr. Sri Adiningsih, M.Sc., from Gadjah Mada University by Topic "**Digital Economy Transformation in Indonesia**". To Mrs Jeongyoon Lee, Ph.D., from the University of Kentucky with the topic raised "**Policy and Regulatory Network in encouraging Digital Economy Development and Virtual Interaction**". To Mrs. Dr. Vanessa Ratten from La Trobe University with the topic raised "**Impact of Economic Digitalization on Ecotourism in Archipelagic Country**". To Mr. Arif Perdana, Ph.D., CA from Monash University with the topic raised "**Digital Finance and Innovation to Support Financial Inclusion**".

Furthermore, the authors, editors, and organizers of this international seminar acknowledged their appreciation and gratitude for the study findings and seminar perspectives. Everything went off without a hitch, from preparation to execution.

As a result, we anticipate that this process will be especially beneficial to the growth of digital economics in post-pandemic archipelagic countries. If there any flaws in this document, please realize and let us know that it will be addressed in the next event.

Ambon, May 2023

Head of Executive Committee The 2nd ICON-BE

Dr. Conchita V. Latupapua, SE. M.M.

The 2nd International Conference on Business and Economics Committee

(in Bahasa)

K E P U T U S A N

DEKAN FAKULTAS EKONOMI DAN BISNIS UNIVERSITAS PATTIMURA

NOMOR: 108/UN13.1.4/SK/2022

DEKAN FAKULTAS EKONOMI DAN BISNIS,

Menimbang :

a. bahwa dalam rangka mempersiapkan The 2nd International Conference on Business and Economics (ICON-BE 2) maka dipandang perlu membentuk PANITIA The 2nd International Conference on Business and Economics (ICON-BE 2);
b. bahwa mereka yang namanya tersebut pada lampiran keputusan ini, dipandang cakap untuk diangkat sebagai panitia The 2nd International Conference on Business and Economics (ICON-BE 2);
c. bahwa berdasarkan pertimbangan sebagaimana dimaksud dalam huruf a dan huruf b, perlu ditetapkan dengan Keputusan Dekan Fakultas Ekonomi dan Bisnis Universitas Pattimura;

Mengingat :

1. Undang-Undang R.I. Nomor 20 Tahun 2003 tentang sistem Pendidikan Nasional;
2. Undang-Undang R.I. Nomor 12 Tahun 2002 Pendidikan Tinggi;
3. Undang-Undang R.I. Nomor 5 Tahun 2014 tentang Aparatur Sipil Negara;
4. Peraturan Pemerintah R.I. Nomor 4 Tahun 2014 tentang Penyelenggaraan Pendidikan Tinggi dan Pengelolaan Perguruan Tinggi;
5. Peraturan Presiden R.I. Nomor 13 Tahun 2015 tentang Kementerian Riset, Teknologi dan Pendidikan Tinggi;
6. Keputusan Presiden R.I. Nomor 66 Tahun 1963 tentang Pendidikan Universitas Pattimura;
7. Peraturan Menteri Riset, Teknologi, dan Pendidikan Tinggi R.I. Nomor 20 Tahun 2016, tentang Organisasi dan Tata Kerja Universitas Pattimura;
8. Peraturan Menteri Riset, Teknologi dan Pendidikan Tinggi R.I. Nomor 52 Tahun 2017, tentang Status Universitas Pattimura;
9. Keputusan Menteri Riset, Teknologi dan Pendidikan Tinggi R.I. Nomor 10/M/KPT/2016, tentang Pemberhentian dan Pengangkatan Rektor Universitas Pattimura;
10. Keputusan Menteri PTIP Nomor 108 Tahun 1965 tertanggal 1 September 1965 tentang Penegerian Fakultas Ekonomi Universitas Pattimura;
11. Keputusan Rektor Universitas Pattimura Nomor 1337/UN.13/SK/2017, tanggal 5 Juni 2020, tentang Pengangkatan Saudara Dr. Erly Leiwakabessy, M.Si sebagai Dekan Fakultas Ekonomi dan Bisnis Universitas Pattimura Periode 2020-2024;

M E M U T U S K A N

Menetapkan	:	KEPUTUSAN DEKAN FAKULTAS EKONOMI DAN BISNIS UNIVERSITAS PATTIMURA TENTANG KOMPOSISI PANITIA The 2nd International Conference on Business and Economics (ICON-BE 2)
KESATU	:	Mengingat mereka yang namanya tertera dalam lampiran Surat Keputusan ini sebagai PANITIA The 2nd International Conference on Business and Economics (ICON-BE 2)
KEDUA	:	Tim bertugas merencanakan, mempersiapkan serta menyusun hal-hal yang berkaitan dengan The 2nd International Conference on Business and Economics (ICON-BE 2)
KETIGA	:	Keputusan ini mulai berlaku pada tanggal ditetapkannya dengan ketentuan apabila terdapat kekeliruan dalam keputusan ini akan diperbaiki sebagaimana mestinya.

Ditetapkan di Ambon,
Pada Tanggal 29 Agustus 2022

ERLY LEIWAKABESSY
NIP 196208201988031003

LAMPIRAN
KEPUTUSAN DEKAN FAKULTAS EKONOMI DAN BISNIS
NOMOR : 108/UN13.1.4/SK/2022
TANGGAL : 29 Agustus 2022
TENTANG
KOMPOSISI PANITIA The 2nd
International Conference on Business and Economics
(ICON-BE 2)

No	Nama / NIP	Jabatan	Kedudukan Dalam Tim
1	*2*	*3*	*4*
1.	Dr. Erly Leiwakabessy, M.Si NIP. 196208201988031003	Dekan	Pengarah
2.	Dr. Rukmuin W. Payapo, SE., M.Si NIP 197211231998032003	Wakil Dekan Bidang Umum dan Keuangan	Pengarah
3.	Fanny M. Anakotta, SE., M.Si NIP 196703101993032002	Wakil Dekan Bidang Kemahasiswaan dan Alumni	Pengarah
4.	Bin Raudha A. Hanoeboen, SE., ME. NIP 19780712200512003	Wakil Dekan Bidang Akademik	Penanggung Jawab
5.	Rusdi Abidin, SE NIP 197601212005021008	Koordinator Bagian TU	Penanggung Jawab
6.	Dr. Conchita V. Latupapua, SE., M.M NIP 197404182001122001	Ketua Jurusan Manajemen	Ketua Panitia
7.	Muhammad R. Assel, SE., M.Sc. NIP. 198307022009121004	Tenaga Pendidik Jurusan EP	Sekretaris
8.	Dewi N. Soepriadi, S.S., M.Hum. NIP 198611242015042001	Tenaga Pendidik Jurusan Akuntansi	Koordinator Humas
9.	Desry J. Louhenapessy, SE., M.Si NIP 197112012005012001	Tenaga Pendidik Jurusan EP	Koordinator Acara
10.	Erfendi Regar, SE.,M.M	Tenaga Pendidik Non PNS Jurusan Manajemen	Koordinator Sekretaris
11.	Fransiska N. Ralahallo, SE., M.Sc NIP 198212292006042002	Tenaga Pendidik Jurusan Manajemen	Koordinator Conference
12.	Paskanova C. Gainau, SE., M.Ak NIP 199004162020122014	Tenaga Pendidik Jurusan Akuntansi	Koordinator Call For Paper
13.	Ribka S.F. Bonara, SE., M.Ak NIP198902222022032007	Tenaga Pendidik Jurusan Akuntansi	Koordinator Dokumentasi

DEKAN

ERLY LEIWAKABESSY
NIP 196208201988031003

List of Contents

THE RELATIONSHIP BETWEEN INVESTMENT AND EXPORT OF LIVESTOCK SECTOR TO ECONOMIC GROWTH IN INDONESIA

Suhartina
Student of Economics Doctoral Program, Hasanuddin University, Indonesia
(*Corespondence e-mail: tina.afriano@gmail.com)

DOI: https://doi.org/10.30598/PattimuraSci.2023.ICONBE2.17-24

ABSTRACT

Introduction/Main objectives: This study aims to analyze the relationship between investment and exports of the livestock sector on economic growth in Indonesia. The livestock sector performs a crucial position for Indonesia's monetary growth because it's miles one of the sectors that contributes to the national economy. **Background Problems:** Based on this, the authors are interested in knowing how the relationship between investment and exports of the livestock sector to economic growth in Indonesia. **Novelty:** This research is a topic that has not been widely studied in Indonesia, the field of economics with the topic of economic growth, investment and exports has been studied very much, but those who see the relationship between investment and exports of the livestock sector on Indonesia's economic growth are still few. Therefore, linking livestock sector investment and exports to Indonesia's economic growth is the novelty of this study. **Research methods:** This research uses Ordinary Least Square analysis technique. The type of data used is secondary data in the form of annual quantitative figures from 2016-2020 obtained from the Central Statistics Agency. **Results:** The results showed that livestock sector investment had a positive and insignificant effect on economic growth. On the other hand, exports of the livestock sector (livestock, livestock products, non-food animal products and veterinary drugs) have a negative and insignificant effect on economic growth. **Conclusion:** The conclusion of the study is that livestock sector investment affects economic growth while livestock sector exports have no effect. These results reveal that to increase economic growth, it is necessary to improve Indonesia's export performance by doing numerous ways, one in all that's via enhancing the export management machine, growing research and improvement of Indonesian merchandise, enhancing infrastructure facilities and infrastructure, change rate stability and expanding non-conventional markets so that provide added value for exports which in turn can increase Indonesia's economic growth.

Keywords: investment, export, livestock sector, economic growth, Indonesia
JEL Classification: O47, P33

INTRODUCTION

The relationship between investment and exports to economic growth in growing international locations has attracted the attention of researchers both theoretically and empirically. A number of empirical research had been conducted to research the position of funding and exports on financial growth or the hypothesis of boom driven by way of funding and exports. The significance of investment and exports and their impact on economic boom raises questions about the character of the relationship between the three macroeconomic variables. In other phrases, it'd be beneficial to research whether or not the joint motion between funding, exports and GDP is in step with the hypothesis or whether or not there is a causal relationship among the three variables.

Investment and exports are engines of growth. Consequently, excessive and sustainable economic increase costs are commonly supported by using accelerated funding and exports. In the livestock sector, the role of investment is very much needed in increasing livestock agribusiness and public investment. Investments encourage the growth of livestock businesses and have a broad multiplier effect. Sources of investment for livestock development so far have come from Domestic Investment (*PMDN*) and Foreign Investment (*PMA*). Investment in the livestock sector is still relatively small, although the need for animal protein-based foods such as meat, milk and eggs is quite high. The livestock sub-sector investment can be seen in Table 1.

Table 1. Realization Development of Domestic Investment and Foreign Direct Investment in the Livestock Sector 2016-2020.

Year	Domestic Investment Value (Rp million)	FDI Value (US$ Thousand)
2016	216.230,8	28.964,0
2017	262.350,5	32.239,7
2018	328.604,9	29.307,9
2019	386.498,3	28.208,7
2020	413.535,5	28.666,2

Source: Central Bureau of Statistics, 2021

Based on Table 1, the investment value during 2016–2020 in the livestock sector fluctuated. The investment performance of the livestock sub-sector through domestic investment increased in 2017 by Rp.262,350.5 million and foreign investment of US$ 32,239.7. The value of PMDN continues to increase until 2020 by Rp.413,535.5 billion and foreign investment amounting to US$ 28,666.2. By measuring investment performance, investors can measure how much they have achieved their investment goals. Investment gaps differ over time, so performance improvement and inter-agency coordination are needed to improve the investment climate. Increased investment will increase economic growth, while if investment decreases, economic growth will also decrease. The high foreign investment compared to domestic investment has an impact on economic growth as a result of weak policies in determining the profit-sharing system.

In addition to investment, exports are an alternative that can be a driving force for the economy. This is in accordance with the macroeconomic context which states that net exports can be used as an "engine of economic growth". Efforts to encourage exports can be started by conducting various studies on export issues.

Partially, exports have a positive effect on Indonesia's Gross Domestic Product. The following is data on the export development of the livestock sector (livestock, livestock products, non-food animal products and veterinary drugs) in Indonesia from 2016-2020.

Table 2. Export and Import Development of Livestock Commodities in Indonesia from 2016-2020.

Year	Export (Million US$)
2016	543.3
2017	625.1
2018	640.2
2019	744.1
2020	964.5

Source: Central Bureau of Statistics, 2021

Table 2 shows that exports of the livestock sector continued to increase for 5 years from 2016 to 2020. In 2020 the export value of livestock products was US$964.5 million, or an increase of 29.61 percent compared to exports in 2019 which were worth US$744.1 million. The increase came from other exports which increased by US$201.3 million (47.56 percent) from exports in 2019. Another type of export that increased was exports of livestock products which increased by US$31.8 million (19.74 percent) of exports in 2019.

Seeing the phenomenon of the development of livestock sector investment consisting of Domestic Investment and Foreign Investment as well as exports of the livestock sector (livestock, livestock products, non-food animal products and veterinary drugs) are some of the economic variables that determine the level of high and low achieved economic growth. In connection with this, the problem to be studied is how the relationship between investment and exports of the livestock sector to economic growth in Indonesia.

This research is a topic that has not been widely studied in Indonesia, the field of economics with the topic of economic growth, investment and exports has been very much researched, but those who see the relationship between investment and exports of the livestock sector on Indonesia's economic growth are still few. Therefore, linking investment and exports of the livestock sector to Indonesia's economic growth is the novelty of this research. This study aims to analyze the relationship between investment and of the livestock sector and exports of the livestock sector to economic growth in Indonesia.

LITERATURE REVIEW & HYPOTHESES DEVELOPMENT

The effect of funding and exports on monetary increase remains a very vital and applicable financial topic for all economies around the sector. The reality is that investment and exports have the power to enhance the kingdom of financial interest via making sure lengthy-time period sustainable financial growth. The literature evaluate will provide an explanation for various works related to the impact of the macroeconomic aggregates on financial increase.

1. The Relationship between Investment in the Livestock Sector and Economic Growth

Bakari (2016) searched the impact of domestic investment and financial growth in the case of Canada. By way of using VAR model, he observed that there is no courting between domestic funding and monetary growth for the duration of the duration 1990–2015. Bakari *et al*., (2020) observed that home funding has a nice impact on economic growth within the case of North Africa for the length 1982–2016. In the case of Tunisia, Bouchoucha & Bakari (2019) searched the impact of domestic investment on monetary growth in the end using ARDL version and annual information for the duration 1976–2017. They determined that domestic investment impacts negatively economic boom ultimately. Weriemmi *et al*., (2022) tested the nexus among home funding and monetary increase inside the case of Arab countries at some point of the length 1990–2020. By using the usage of VECM version, they found that there is no dating between domestic investment and monetary growth in the long run. Alfa & Garba (2012) tested the effect of domestic funding on monetary growth in Nigeria the usage of annual time series data from 1970 to 2013. The end result of the analyzed information showed that personal funding and productive public investment had a wonderful however insignificant impact on financial increase. Domestic investments have a destructive impact on monetary increase. Those effects appear that change openness and home investments are not beholden as a provenance of economic growth in Peru over this extended period and be afflicted by many troubles and a depressing monetary enterprise.

Numerous studies have shown that the above positive outcomes may be insignificant or maybe dangerous to the ability to accumulate home capital of overseas investment recipient international locations. In latest years, the connection between funding, exports and monetary increase has been studied substantially. In more element, the studies of Dritsaki *et al*. (2004) studied the connection among exports, FDI and GDP of Greece in the duration 1960–2002 and the consequences showed a protracted-time period and causal courting among variables. On the other hand (Ahmad & Butt, 2003) additionally discovered a one-sided causal relationship between exports and GDP, FDI and GDP inside the case of Pakistan using annual records for the length 1972–2001.

Vitor and Sackey (2018) also discovered fantastic and significant relationship among monetary increase and foreign direct make investments flow to the agricultural sector and quantity of trade respectively. Government expenditure show off terrible, but extensive relationship with financial growth. The study contributes to economic development literature from a crucial but neglected studies context on the subject of agricultural improvement, through foreign direct funding to support process introduction and normal financial improvement with particular connection to Ghana. Accordingly, the look at recommends that coverage have to focus on bendy alternate guidelines to draw extra foreign direct investment (FDI) inflows to Ghana's agricultural quarter to accelerate boom throughout board.

2. The Relationship between Livestock Sector Exports and Economic Growth

Empirical outcomes show that within the long-term home funding and exports have a terrible impact on financial growth, however imports have an effective effect on monetary growth. Within the brief term, empirical evaluation shows that simplest imports cause monetary boom. These findings gift a critical situation in Egypt, which calls for the inclusion of pressing financial reforms Bakari (2017).

The findings of the have a look at display that the rural exports have blended effect on financial boom in Cameroon. Coffee export and banana export have a wonderful and substantial dating with monetary growth. Alternatively, cocoa export become located to have a negative and insignificant effect on economic growth. Based on our findings, it is endorsed that policies aimed at increasing the productivity and quality of these cash crops need to be applied. Additionally, additional fee must be brought to cocoa and coffee beans before exporting. While this is executed, it's going to result in a better fee of economic increase in Cameroon (Gilbert *et al*., 2013).

Siaw *et al*. (2018) cocoa export has a a fantastic and full-size effect on monetary increase whiles the export of pineapple and banana has negative impact on financial boom despite the fact that pineapple export isn't sizeable in both long term and brief run. in addition, the examine observed unidirectional causality jogging from banana to economic boom, a bi-directional causal dating between cocoa export and financial boom and no causality among financial improvement and pineapple export in Ghana.

In this study, a causal relationship will be tested between livestock sector investment, livestock sector exports and economic growth in Indonesia using the Granger causality test. The two research hypotheses are following. Firstly, the relationship between livestock sector investment and economic growth, livestock sector investment and exports, livestock sector exports and economic growth is a unidirectional causal relationship. Secondly, the relationship between livestock sector investment and economic growth, livestock sector investment and exports, livestock sector exports and economic growth is a two-way relationship.

METHOD, DATA, AND ANALYSIS

1. Research Design

Research design is a method done by using to systematically link every detail of research so that in analyzing and determining the focus of research it becomes more effective and efficient. Based on this, the typology of this research is explanatory, namely research designed through the stages of collecting the required data, determining the analytical tools (instruments) used, and analyzing the data used, as well as the typology of causality research, namely research that analyzes causal relationships between research variables.

2. Population and Sample

The population is all objects or subjects that exist in an area of generalization and in accordance with special criteria relating to the scope of the problem under study (Siregar, 2013). Based on this definition, it can be concluded that the population is an object/subject that has certain characteristics that are taken completely. Population is the totality of all items or individuals which have sure traits, are clear and whole. The population used on this take a look at is all data related to the Gross Domestic Product (GDP) of the livestock sector, investment and exports of the livestock sector in Indonesia in 2016-2020. Samples that are part of the population are selected through certain procedures that can represent the population. The sampling technique used in this study is non-probability sampling, where all members are selected as samples.

3. Data Types and Sources

The kind of information used on this study is secondary data for the period 2016 – 2020 obtained from the Central Statistics Agency, the Directorate General of Livestock and Animal Health and other sources related to this research. Constant prices using the base year 2010 are used as a basis for observations with the consideration that the development of regional income figures from year to year is solely caused by real developments and not influenced by price changes, both rising and falling prices (BPS, 2021).

4. Method of Collecting Data

The technique utilized in records collection is literature examine. Literature take a look at is a technique to achieve statistics through notes, literature, documentation and others applicable to this research. The data obtained is for each variable in the form of periodic data (time series), namely data based on the period of occurrence or from time to time, namely data on economic growth, investment, and exports of the livestock sector.

5. Data Analysis

The variables of the research model include: Livestock sector investment (INV), Export Value (EXP); and Gross Domestic Product (GDP) is used as a proxy for economic growth. INV, EXP, GDP are calculated at constant prices. Thus, the order of examination is as follows: First, we look at the stationary of the three facts series. When the envisioned time series has a dating inclusive of autoregressive collection (AR). If we use the normal least squares method (OLS), the results can be falsified. When the random technique used within the version is a non-desk bound technique, the estimation outcomes have no financial importance (Jie & Mohamoud, 2019). For that reason, the Dickey-Fuller test (ADF take a look at) is used to demonstrate time collection homes.

The unit root take a look at model is written as follows:

$$\Delta Yt=\beta Yt\text{-}1+ 1pi\Delta Yt\text{-}i+t \quad (1)$$

wherein: Δ is the difference, Yt are observations at time t (time series)

The outcomes of the ADF check are regularly very touchy to the period of lag ok, so after implementing the version, AIC (Akaike'sInformation Criterion) is used to pick out the optimal for the model. Second, testing causality by applying an autoregressive vector model (VAR) with a lag (k). Therefore, its miles used to look at the long-time period causal courting between agriculture and financial growth, and is implemented by applying a regression model.

$$Yt= 1+ 1n1iXt_{-i}+1m1jYt_{-j}+1t \quad (2)$$
$$Xt= 1+ 1n2iYt_{-i}+1m2jXt_{-j}+2t \quad (3)$$

Explaining a causal relationship, Toda and Yamamoto show that if the time series Y is the cause of the time collection X and if the past Y (Yt_{-1}, Yt_{-2}, Yt_{-3}, etc.) may be used to expect X (Xt). In different phrases, Y is the causal impact of X on long-term balance. Similarly, if time collection X is the motive of time collection Y, and if the beyond X (Xt_{-1}, Xt_{-2}, Xt_{-3}, etc.) may be used to predict Y (Yt). Alternatively, X is likewise a causal effect of Y in long-term balance. 1/3, this study implements the cointegration check. Cointegration is relation a long term between stationary variables on the identical diploma of integration. The idea of cointegration states that if one or greater variables aren't bound but are cointegrated, then the linear variables in the device may be stationary, so that a particularly strong lengthy-time period gadget of equations is acquired (Ziegel & Enders, 1995). Fourth, the OLS test is used to determine the correlation between the dependent variable and the independent variable. The added production function including livestock sector investment, exports livestock sector and economic growth is expressed as:

$$\textbf{Log}\ (\mathbf{Y}) = \boldsymbol{\beta}_0 + \boldsymbol{\beta}_1 \text{Log (INV)} + \boldsymbol{\beta}_2 \text{Log (EXP)}_t + \boldsymbol{\varepsilon}_t \quad (4)$$

wherein: β_0: The constant term; β_1: The coefficient of variable (livestock sector investment); β_2: The coefficient of variables (livestock sector Exports); t: The time trend; ε: The random error term assumed to be normally, identically, and independently distributed.

RESULT AND DISCUSSION

1. Results of Unit Root test

Earlier than acting the regression, it's miles important to define the time series properties. The unit root test is used to check whether a sequence is bound or not, and this study makes use of the ADF unit root take a look at.

Table 3. ADF Estimation Results and Degree of Integration for Unit Root Test.

Variable	ADF	Critical Value	?
Economic growth	-4.774475	-3.666751 **	Stasioner
Investment	-4.421804	-3.857386 **	Stasioner
Export	-4.440705	-3.656285 **	Stasioner

Description: ** = Significant at α = 1%

The results of the ADF unit root test in Table 3 show that the series of economic growth, investment and exports of the livestock sector are stationary. The ADF statistic is -4.774475 for the economic growth variable, the value is -4.421804 for the investment variable and the value is -4.440705 for the export variable. This value passes the critical value at a significance level of 1%. Based on these results, it can be concluded that all the estimated variables are stationary so that it can be continued with the next test step.

2. Granger Causality Test Estimation Results

Granger Causality test is used to determine whether there is a statistical relationship between variables between livestock sector investment variables, livestock sector exports and economic growth. Through this test, it can be seen whether these variables have a two-way relationship (mutual influence), a one-way relationship or no relationship at all (no influence).

Table 4. Granger Causality Test Results.

Pair-Variables	Causal Direction (Probability)	
PDBY, INV	0.3471	0.0377 *
PDBY, EXP	0.6018	0.6846
INV, EXP	0.7292	0.2505

*) significant at 5% level of significance

The results of the causality test listed in Table 4 show that there is a causal effect of investment and exports of the livestock sector on economic growth; livestock sector investment has a causal effect on livestock sector exports (significant 5%), but not in the opposite direction; Economic growth has no causal effect on investment and exports of the livestock sector.

3. Cointegration Test Results

The cointegration test aims to determine the long-term balance relationship between investment variables in the livestock sector, exports from the livestock sector and Indonesia's economic growth. This test can be performed with the Engle-Granger Test or the Augmented Engle-Granger Test.

Table 5. Cointegration Test Results.

Hypothesized No. of CE(s)	Eigenvalue	Trace Statistic	0.05 Critical Value	Prob. *
None *	0.256734	40.09163	22.24795	0.0002
At most 1	0.115241	11.46020	11.31080	0.0674
At most 2	0.013472	1.263292	4.118706	0.3026

Trace test gives P_value = 0.0002 < 0.05, rejects the null hypothesis Ho: r < 0. With the null hypothesis Ho: r <1, P_value= 0.0674> 0.05, accept the null hypothesis. Thus, the Trace test gives r = 1 which means there is cointegration in the research results.

4. OLS (Ordinary Least Square) Test Results

The OLS test is used to determine the correlation between the two variables, namely economic growth as the dependent variable, investment, and exports of the livestock sector as independent variables. Based on the OLS test, the following multiple linear regression equation is obtained:

$$\text{Log (PDB)} = 5.16251 + 0.437452 \text{ Log (INV)} + 0.530173 \text{ Log (EXP)} \qquad (5)$$

The effect of investment (PMA and PMDN) in the livestock sector on Indonesia's economic growth during the observation period is positive but not significant. This is due to a lag in the effect of investment funds in the livestock sector, both foreign and domestic investments, on economic growth. If a capital is invested in the form of something, for example a building for the production of the livestock sector that is useful for increasing production, it is not necessarily the year that the capital invested directly has an effect on output and then has an effect on economic growth. If you conduct research in the short term, it can be seen that the effect of investment as a production factor that creates output as a measure of economic growth will be insignificant.

On the other hand, exports of the livestock sector (livestock, livestock products, non-food animal products and veterinary drugs) have a negative and insignificant effect on economic growth. Exports and investment in the livestock sector are important drivers of long-term growth and development and are therefore needed to build productive capacity, transform economic structures, create jobs and reduce poverty. This is supported by the opinion Gilbert (2013) which states that agricultural exports have a combined impact on economic increase in Cameroon. Espresso exports and banana exports have a nice and significant dating with monetary growth. On the other hand, cocoa exports had a poor and insignificant effect on economic growth. Based totally on our findings, it is encouraged that rules geared toward growing the productivity and quality of must be applied. Cost brought ought to additionally be introduced to cocoa and coffee beans earlier than they're exported. While that is accomplished, it will cause a better price of economic boom in Cameroon.

CONCLUSION

The conclusion of the study is that livestock sector investment affects economic growth but is not significant while livestock sector exports have no effect. These results reveal that to increase economic growth, it is necessary to increase Indonesia's export performance by doing numerous ways, certainly one of which is via enhancing the export administration system, growing research and improvement of Indonesian merchandise, enhancing infrastructure facilities and infrastructure, trade price stability and increasing non-traditional markets. Thereby providing added value for exports which in turn can increase Indonesia's economic growth. The increase in added value is expected to increase the export volume of the livestock sector in Indonesia. Improved export performance will have an impact on Indonesia's economic growth.

IMPLICATION, LIMITATION AND SUGGESTION

Implication

The implication of this research is that the government through the relevant ministries can use it as material for consideration in making decisions for investment and exports of the livestock sector and make evaluation material for government policies for the future.

Limitation

The limitation of this study is that the amount of data used in this study is still very short, namely data for the period 2016–2020.

Suggestion

First, the government should encourage extra attention to investment inside the livestock region that is more productive and smarter to inspire exports and economic boom. Second, the government should enhance its financial regulations to reduce institutional inefficiencies. Third, the government have to create a new method in terms of funding and export of the farm animal quarter to inspire economic increase.

REFERENCE

Ahmad, M.H., Alam, S., & Butt, M.S. (2003). Foreign direct investment, exports and domestic output in Pakistan. *PakistanDevelopment Review*, *42*(4), 715–723.

Alfa, A.B., & Garba, T. (2012). *The Relationship between Domestic Investment and Economic Growth in Nigeria*. *2*(3), 256–279.

Bakari, S. (2016). Impact of Exports and Imports on Economic Growth in Canada: Empirical Analysis Based on Causality. *Munich Personal RePEc Archive, 75910.*

Bakari, S. (2017). The Relationship between Export, Import, Domestic Investment and Economic Growth in Egypt: Empirical Analysis. *EuroEconomica*, *36*(2), 1–10.

Bakari, S., Fakraoui, N., & Mabrouki, M. (2020). *The Contribution of Domestic Investment, Exports and Imports on Economic Growth: A Case Study of Peru*. *99041*, 1–22.

Bouchoucha, N., & Bakari, S. (2019). The Impact of Domestic and Foreign Direct Investment on Economic Growth: Fresh Evidence from Tunisia. *Munich Personal RePEc Archive*, *94777*, 1–19.

Dritsaki, M., Dritsaki, C., & Adamopoulo, A. (2004). A Causal Relationship between Trade, Foreign Direct Investment and Economic Growth for Greece. *American Journal of Applied Sciences*, *1*(3), 230–235. https://doi.org/10.3844/ajassp.2004.230.235

Gilbert, N.A., Sama, G.L., & Divine, G.M. (2013). Impact of Agricultural Export on Economic Growth in Cameroon : Case of Banana, Coffee and Cocoa Dr. Noula Armand Gilbert (Senior Lecturer), Sama

Gustave Linyong (PhD student) Gwah Munchunga Divine (M.Sc.). *International Journal of Business and Management Review*, *1*(1), 44–71.

Jie, L., & Mohamoud, A.N. (2019). An Econometric Assessment of Entrepreneurship in the Diamond Mining Sector and Its Impact on Economic Growth in Sierra Leone. *Research on Humanities and Social Sciences*, *9*(12), 159–173. https://doi.org/10.7176/rhss/9-7-05

Siaw, A., Jiang, Y., Pickson, R. B., & Dunya, R. (2018). Agricultural Exports and Economic Growth: A Disaggregated Analysis for Ghana. *Theoretical Economics Letters*, *8*(11), 2251–2270. https://doi.org/10.4236/tel.2018.811147

Siregar, S. (2013). Metode Penelitian Kuantitatif: Dilengkapi Perhitungan Manual & SPSS. In *Kencana Prenada Media Group*.

Vitor, D.A., & Sackey, R.A. (2018). Agricultural sector foreign directinvestment and economic growth in Ghana. *Journal of Innovation and Entrepreneurship*, *7*, 1–15.

Weriemmi, E., Bakari, S., El Weriemmi, M., & Mabrouki, M. (2022). *The Impact of Digitalization and Trade Openness on Economic Growth: New Evidence from Richest Asian Countries*. *113816*.

Ziegel, E.R., & Enders, W. (1995). Applied Econometric Time Series. In *Technometrics*, 37(4). https://doi.org/10.2307/1269759