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Integrated Solutions for Sustainable Growth: Merging Inflation Control, Food Security, and Digitalization in Sumatra Indonesia

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ABSTRACT

This study examines the impact of inflation control**,** food security**,** and digitalization on regional economic stability in Sumatra, Indonesia. Using Structural Equation Modeling (SEM)-PLS, this study analyzes the direct and indirect relationship between inflation control policies, food security, the downstream supply chain, fiscal policy, regional investment, and digital transformation. In addition, this study introduces real sector innovation and institutional capacity as mediating variables to explain how these policies affect economic stability. The results showed that the overall hypothesis proved to be significant ($p < 0.05$), with the coefficient of influence of inflation control of 0.45 (t-value 5.42), food security of 0.38 (t-value 4.18), food downstream of 0.31 (t-value 3.91), fiscal policy of 0.42 (t-value 4.98), regional investment of 0.36 (t-value 4.21), and digitalization of the economy of 0.33 (t-value 4.05). The results show that well-coordinated policy synergy, integrating inflation control, food security enhancement, and digitalization, significantly reduces inflation and increases regional economic stability. Real-sector innovation plays a vital role in mediating the relationship between food security and financial stability, while institutional capacity is proving critical to the effectiveness of fiscal policy implementation. Sumatra's local governments must accelerate digital transformation and food security policies, increase real-sector innovation, and strengthen institutional capacity to drive sustainable economic growth.

Keywords: Digitalization, Inflation, Real Sector Innovation, Institutional Capacity, Food Security, Economic Stabilization

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INTRODUCTION

Sumatra Province, as one of Indonesia's main economic centers, faces many financial problems, especially due to fluctuations in food prices, which are a major driver of inflation. Regional economies, especially in Sumatra, are still facing challenges despite the central government's inflation-control policies. People's purchasing power, cost of living, and social inequality can be exacerbated by uncontrolled inflation (Indonesian Energy and Environment Research, 2023). Some factors, such as dependence on food imports, instability in domestic food supply, and changes in global commodity prices, influence inflation in Sumatra (Lestari et al., 2024). This region is vulnerable to soaring food prices that cause uncontrolled inflation due to weak food security and little downstream processing of food products (Hui, P., Zhao, H., Liu, D., & Li, 2023). As a result, more integrated methods are needed to effectively control inflation. This method should include monetary and fiscal policies, as well as policies related to the food industry and economic digitalization .

In this regard, this study is unique in that it uses a holistic approach that integrates previously unconnected variables. Policies to control inflation, food security, manage the downstream supply chain, implement fiscal policy, regional investment, and facilitate economic digitalization are among these key

variables (Hayashi & Routh, 2025). In addition, this study included institutional capacity and real-sector innovation as mediating variables to explain the mechanism underlying the influence of policies on regional economic stability. The study emphasizes how cooperative policies can improve financial stability by leveraging real-sector innovation to enhance the efficiency and competitiveness of local products and institutional capacity. As a result, the study provides a new perspective on efforts to reduce inflation and improve regional economic stability.

This research is critical because maintaining regional economic stability is essential amid global issues such as international economic uncertainty and food price fluctuations. Sumatra also has enormous potential for agriculture and food processing. The right policies can harness this potential to reduce dependence on imports and suppress inflation (Lin, B., & Zhang, 2024). Stable economic conditions will be very beneficial for improving the welfare of the people of Sumatra, reducing poverty, and encouraging inclusive economic growth. Taking into account real-sector dynamics and regional-level institutional capabilities, the research offers solutions based on more integrated policy synergies, making it particularly important for policymakers. (a) Determine how policies to control inflation, food security, downstream supply chain, fiscal policy, regional investment, and economic digitalization affect the economic stability of the Sumatra region; (b) Determining the role of real sector innovation in this research is also expected to complement previous research on regional economic practices and policies. Practically, the results of this research can be used by local governments to create more effective policies to control inflation and promote sustainable economic growth.

LITERATURE REVIEW AND HYPOTHESIS DEVELOPMENT

To maintain local economic stability, especially in regions with complex economic, social, and environmental challenges such as Sumatra, a deep understanding of the interrelated factors is needed (Anakpo et al., 2023). To reduce the risk of economic instability and support sustainable economic growth, a comprehensive approach is required that involves inflation control, food security, downstream food products, fiscal policy, investment, and economic digitalization (Juhro et al., 2022). According to macroeconomic theory, inflation can cause economic instability. Mankiw (2014) stated that using monetary and fiscal policies to reduce financial uncertainty, which can hinder economic growth, is one of the essential ways to control inflation. Controlled inflation will increase individual purchasing power, stabilize consumption, and boost investment.

Inflation Control and Regional Economic Stability

Controlling inflation is a top priority in state and local economic policies (Prakarsh et al., 2024). High inflation can lead to economic instability, an increase in the cost of living, and a decrease in people's purchasing power (Hayashi & Routh, 2025). Effective inflation control, on the other hand, can increase economic stability by maintaining stable prices of goods and services (Aristei et al., 2024). Effective monetary and fiscal policies can control inflation, and that planned policies can minimize its impact on the economy (Piliang et al., 2025). Controlling inflation increases economic stability because high inflation can lead to economic uncertainty (Mankiw, 2014). Inflation-control policies can be combined with sectoral and fiscal policies to foster local economic stability (Piliang, A., Meutia, Bastian, E., 2025). So the hypotheses that can be taken are, Hypothesis (H1) is that the financial stability of the Sumatra region is significantly affected by inflation control.

Food Security and Regional Economic Stability

To control inflation, food security is essential, especially in developing countries like Indonesia (World Bank, 2025). Good food security helps reduce dependence on imports, which often leads to inflation, especially during rising global food prices (Baby et al., 2024). FAO (2017) stated that high food security ensures stable domestic food prices, which helps economic stability. According to research conducted by (Huang et al., 2025), local food security will reduce dependence on imported food. This will ease inflationary tensions. So the hypotheses that can be taken are, Hypothesis (H2) is that food security has a significant influence on the economic stability of the Sumatra region.

Downstream supply chain and Regional Economic Stability

The downstream supply chain is a food processing process that increases the added value of local products and creates new jobs (Yuhao Wang, 2025). The downstream supply chain can help local economic

stability by increasing the competitiveness of local products, opening new markets, and creating new economic opportunities (Tan, L., & Lee, 2018). So the hypotheses that can be taken are, Hypothesis 3 (H3): The Downstream supply chain has a significant influence on economic stability in the Sumatra region.

Fiscal Policy and Regional Economic Stability

Proper fiscal policy can improve economic stability by providing economic stimulus and allocating budgets to productive sectors (Juhro et al., 2022). Wise fiscal management can promote sustainable economic growth by investing in infrastructure and providing food subsidies (Bastian, 2024). Increased investment and productive spending can reduce financial instability (Piliang et al., 2023). As a result, an acceptable hypothesis is Hypothesis 4 (H4): Fiscal policy significantly affects the economic stability of the Sumatra region.

Regional Investment and Regional Economic Stability

Local investment has a significant impact on regional economic structure, production capabilities, and job creation (F. Lu, 2023). The long-term economic growth can be increased through investment in strategic sectors and infrastructure (Hui, P., Zhao, H., Liu, D., & Li, 2023). In addition, it can improve the competitiveness of local products. Regional investment can improve infrastructure that supports the economy and increase the competitiveness of local products (Sendi Gusnandar Arnan, 2024). Therefore, the following hypotheses can be used, Hypothesis 5 (H5): Regional investment has a significant influence on economic stability in the Sumatra region.

Economic Digitalization and Regional Economic Stability

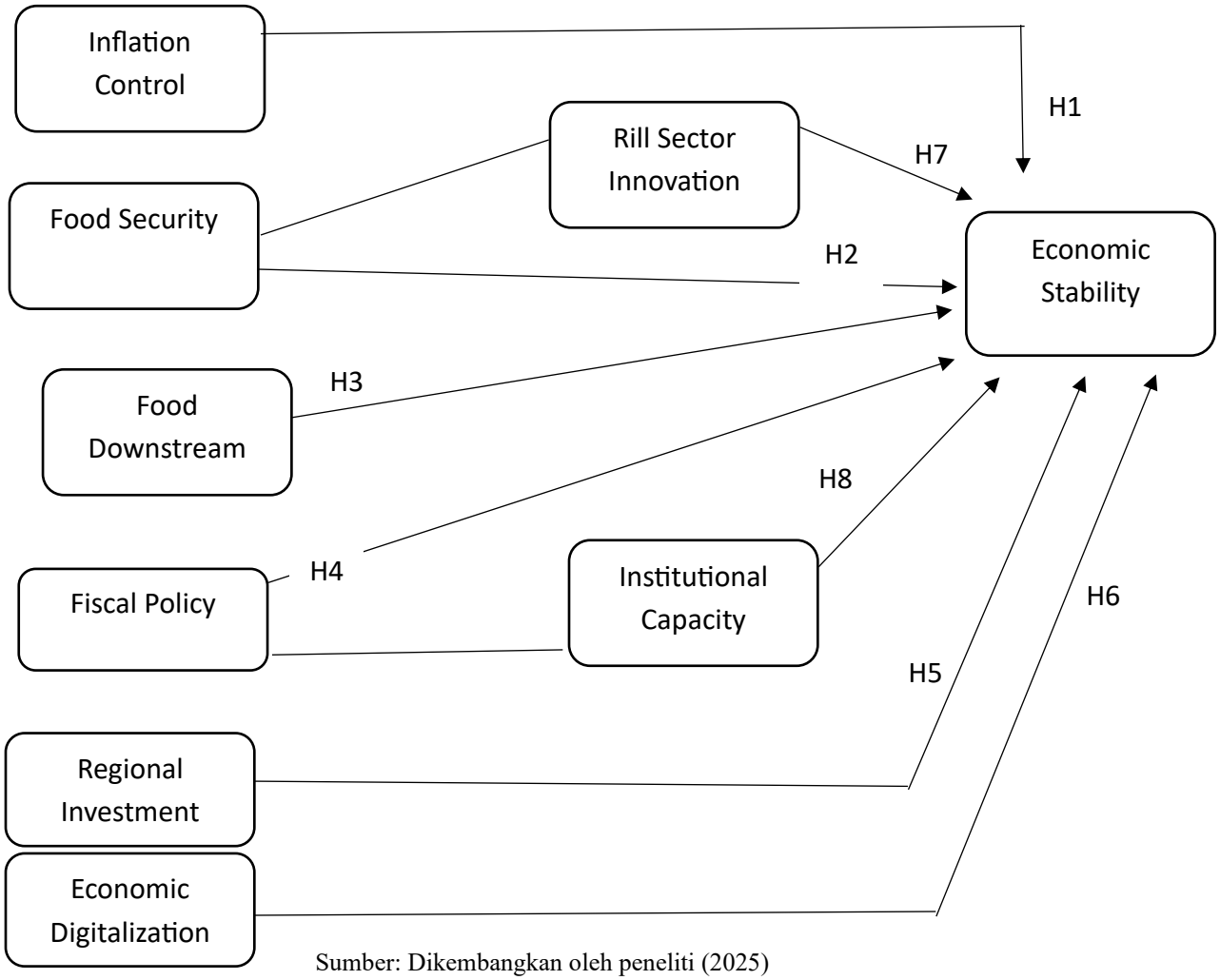
The increasing importance of economic digitalization is to increase productivity, accelerate economic transactions, and expand the market for local products (Zhixiao Zou, 2025). Improving the real sector and increasing the local economy's competitiveness, digitalization can help stabilize the economy (Bastian, 2024). There is evidence that the digitalization of the economy, such as the implementation of digital payment systems and e-commerce, results in an increase in the economy and a decrease in transaction costs (Juhro et al., 2022). As a result, the following hypotheses can be used, Hypothesis 6 (H6): Economic digitalization has a significant impact on Sumatra's economic stability.

Real Sector Innovation and Mediation of the Influence of Food Security on Regional Economic Stability

Innovation in the real sector accelerates production and economic competitiveness, especially in the fields of agriculture and food processing (Herawati, A. R., Yuniningsih, T., & Dwimawanti, 2023). Real innovation can drive economic growth by increasing efficiency and creating new jobs (Bank Indonesia, 2025). With the entry of new technologies into the real sector, the impact of food security on economic stability can increase (Piliang & Nuraini, Wirdayani, 2024). As a result, the following hypotheses can be used, Hypothesis 7 (H7) : Real sector innovation helps regulate the relationship between food security and regional economic stability.

Institutional Capacity and Mediation of the Influence of Fiscal Policy on Regional Economic Stability

Strong institutions are needed to ensure the implementation of fiscal policies (Guillermo E. Perry, Luiz Servén, 2008). Strong institutions help economic stability by accelerating policy implementation and decision-making (Suele, 2025). Strong institutions help budgetary policy to be adequately implemented. Hypothesis 8 (H8) is usable: the institutional capacity to mediate the relationship between fiscal policy and regional economic stability.



Sumber: Dikembangkan oleh peneliti (2025)

Figure 1. Research Model

RESEARCH METHODOLOGY

Research Design

Quantitative methods are used in this study, which serves as a descriptive-analytical design. The purpose of this study is to identify and analyze the correlation between policies to control inflation, food security, the downstream supply chain, fiscal policy, regional investment, and economic digitalization, and financial stability in South Sumatra. In addition, to explain how these economic policies affect regional economic stability, this study introduces real sector innovation and institutional capacity as mediating variables.

Population, Sample, and Time and Place of Research

This study involves all policymakers involved in economic decision-making in 240 regions of Sumatra. For this study, a purposive sampling technique was used to select 200 respondents. The requirements for purposive sampling are as follows: a) Local governments are directly responsible for financial management and regional economic policies; b) Agricultural and food processing industry players that affect the downstream of food products and food security; and c) Digital sector actors who contribute to the transformation of the digital economy. They consisted of 40% local government officials (80 respondents), 35% food processing industry players (70 respondents), and 25% entrepreneurs in the agricultural and related sectors. The research began in February and lasted until July 2025. The study was

conducted in 10 provinces in Indonesia, namely Sumatra: Aceh, North Sumatra, West Sumatra, Riau, Jambi, South Sumatra, Bengkulu, Lampung, Bangka Belitung Islands, and Riau Islands.

Data Collection

The two primary sources of data for this study are as follows: (a) Primary Data: This data was collected through questionnaires that were distributed to participants. This questionnaire is intended to measure respondents' perceptions of inflation control policies, food security, the downstream supply chain, fiscal policy, regional investment, and economic digitalization. In addition, this questionnaire assesses the roles of real-sector innovation and institutional capacity in supporting regional economic stability. (b) Secondary Data: This data is used to study economic trends such as inflation and food security. They were obtained from regional economic reports by the Central Statistics Agency (BPS) and Bank Indonesia, as well as data on economic policies implemented in Sumatra. Primary data were collected through purposive sampling, with questionnaires sent to 200 selected individuals. Secondary data comes from publications and official documents of government agencies.

Research Variables and Measurement

Some of the main variables used in this study are explained as follows: a) Dependent Variables: 1. Regional Economic Stability: measured by indicators of economic growth, inflation control, and availability of jobs in the regions. b) Independent Variables; 1. Inflation Control Policy: measured by the fiscal and monetary policies implemented in the areas to control inflation. 2. Food Security: measured by indicators of local food availability and regional economic growth rate, c) Mediation Variables: 1. Real Sector Innovation, which is measured by the number of new technologies applied in the agricultural sector and food processing industry. 2. Institutional capacity, which is measured by how effective local governments are in making and implementing economic policies. Each research variable was measured through relevant questions that measured respondents' perceptions or experiences of economic policies and conditions in their region. This type of question uses a Likert scale to measure the extent to which participants agree with a given statement. For example, one strongly disagrees and five strongly agree.

Hypothesis Method Formula

Inferential statistical methods are used in structural equation (SEM) models to test hypotheses. The measurement model and the structural model were tested simultaneously, and the hypothesis was measured at a significance level of 5%:

H0:β=0 (there was no significant influence between the variables)
H0:β=0 (there was no significant influence between the variables)
Ha:β≠0 (There is a significant influence between the variables)
Ha: β = Ha: β = Ha:β=0 (There is a significant influence between the variables)

The test was carried out with the criteria of t-value > 1.96 and p-value < 0.05, as well as checking the regression coefficient between variables.

Data Analysis

This study uses *Partial Least Squares (PLS)* as a statistical analysis method to test the relationship between existing variables. PLS was chosen for its ability to handle complex models with many variables, as well as to address multicollinearity and larger sample sizes. Here are the steps of analysis using PLS:

a) Measurement Model
   At this stage, the validity and reliability of the indicators used to measure the research variables are tested. The validity of convergence is tested by examining the loading factor for each indicator, which must be greater than 0.7. The validity of the discriminant is tested with *an Average Variance Extracted* (AVE), which must be greater than 0.5. Reliability is tested using *Cronbach's Alpha,* which must be greater than 0.7 (Joel collier, 2020).
b) Structural Model

At this stage, we will test the direct and indirect relationships between variables. We will evaluate the direct and *indirect effects* through mediation. Path analysis will be carried out to see the direct influence of independent variables on dependent variables, as well as indirect influences through real sector innovation and institutional capacity as mediation variables (Hair et al., 2019).

c) Bootstrapping:
To test the significance of paths and coefficients, *the bootstrapping* technique is used to obtain t-statistic values. The significant coefficient has a t-value of 1.96 at the 5% significance level.

d) Model Fit
This study will also measure the goodness of fit of the PLS model using *the Standardized Root Mean Square Residual* (SRMR), where an SRMR value smaller than 0.08 indicates a good fit (Leguina, 2015).

e) Measurement *of t-value* and *p-value*
In *the Partial Least Squares* (PLS) analysis, the significance of the relationships between variables was assessed using t-values and p-values obtained via bootstrapping**.** *T-value* measures how far the path coefficient differs significantly from zero in standard deviation units. A larger t-value indicates greater power of influence. The critical t-value at a significance level of 5% ($\alpha = 0.05$) is 1.96. If the t-value > 1.96, the relationship is considered statistically significant. *The P-value* indicates the probability that the test results occurred by chance if the null hypothesis is true (no effect). If the p-value < 0.05, the relationship between the variables is considered significant at the 5% level. Thus, the combination of *a t-value > 1.96 and a p-value < 0.05 is the main criterion for assessing the influence of* substantial variables in the PLS model (Shmueli et al., 2019).

RESEARCH AND DISCUSSION RESULTS

Respondent Description

The study involved 200 respondents, including local government officials, food processing industry players, and agricultural sector entrepreneurs in Sumatra.

Model Measurement Results

Before conducting a test of the relationship between variables, a validity and reliability test was carried out. Based on the analysis, all indicator loadings were greater than 0.7, indicating good convergent validity.

Structural Model Results

The following are the results of the path analysis with regression coefficients, *t-value,* and *p-value* for the relationship between the research variables:

Table 1. Hypothetical Results

Hipotesis	Variable Relationships	Regression Coefficients	t-value	p-value	Interpretasi
H1	Inflation Control → Regional Economic Stability	0,45	5,42	0,000	Positive and significant influence; p < 0.05
H2	Food Security → Regional Economic Stability	0,38	4,18	0,000	Significant influence, p < 0.05
H3	Downstream supply chain → Regional Economic Stability	0,31	3,91	0,000	Significant influence, p < 0.05
H4	Fiscal Policy → Regional Economic Stability	0,42	4,98	0,000	Significant influence, p < 0.05

H5	Regional Investment → Regional Economic Stability	0,36	4,21	0,000	Significant influence, p < 0.05
H6	Economic Digitalization → Regional Economic Stability	0,33	4,05	0,000	Significant influence, p < 0.05
H7	Real Sector Innovation as a Mediation of Food Security → Regional Economic Stability	0,28	3,75	0,000	Significant influence, p < 0.05
H8	Institutional Capacity as a Mediation of Fiscal Policy → Regional Economic Stability	0,35	4,01	0,000	Significant influence, p < 0.05

Output: SEM (PLS) 2025

Uji Bootstrapping

To test the significance of the path and coefficient, a bootstrapping test was performed. The results of the bootstrapping test showed that all paths in the structural model had *t-statistic values greater than 1.96, indicating that all relationships between variables in this model were significant at the p< 0.05 level*.

Model Fit

This study uses the Standardized Root Mean Square Residual (SRMR) to assess the model's goodness-of-fit. The SRMR value was 0.068, which is below 0.08, indicating that this model fits well and explains the relationships between variables.

Discussion of Results

Based on the PLS results, this study demonstrates that inflation control, food security, the downstream supply chain, fiscal policy, regional investment, and economic digitalization significantly influence regional economic stability in Sumatra. All the hypotheses tested proved significant, and the results show that well-coordinated policies can strengthen regional financial stability. In addition, real-sector innovation and institutional capacity have been shown to mediate the relationship between economic policy and economic stability. This indicates that effective policies must be supported by the application of technology in the real sector and strong institutional capacity at the regional level.

Inflation Control on Regional Economic Stability

Based on the results of PLS analysis, inflation control affects regional stability; the regression coefficient for the effect of inflation control on regional economic stability is 0.45, with a t-value of 5.42 and a p-value of < 0.05. Effective inflation control through monetary and fiscal policies contributes to regional financial stability. This shows that inflation-control policies integrated with food and subsidy policies can maintain price stability and people's purchasing power. Tighter inflation-control policies can help reduce economic turmoil and boost market confidence in the regional economy.

Food Security to Regional Economic Stability

Food security has a significant effect on regional economic stability in Sumatra. The regression coefficient for this relationship is 0.38, with a t-value of 4.18 and a p-value of < 0.05. Strong food security serves as the primary foundation for maintaining price stability and increasing regional economic resilience. Better food security reduces dependence on food imports, which is often a source of price instability. This supports the finding that policies that support the local agricultural sector help control inflation and drive regional economic growth.

Downstream Supply Chain for Regional Economic Stability

The downstream supply chain has a significant effect on regional economic stability in Sumatra. The regression coefficient for food downstream was 0.31, with a t-value of 3.91 and a p-value of < 0.05. Downstreaming local food products can increase product added value, create jobs, and reduce dependence on imported food. In addition, downstream food processing can strengthen the competitiveness of local products, thereby contributing directly to regional economic stability. These findings show that local governments need to prioritize policies that support the processing of local food products.

Fiscal Policy on Regional Economic Stability

Fiscal policy has a significant effect on regional economic stability in Sumatra. The regression coefficient for budgetary policy is 0.42, with *a t-value* of 4.98 and *a p-value* of < 0.05. Proper fiscal policies, such as budget allocation for productive sectors and expenditure control, play a significant role in maintaining regional economic stability. Budget allocations for development programs and food subsidies, for example, can reduce price instability and increase people's purchasing power. This reinforces the importance of efficient budget management in regional economic stabilization.

Regional Investment on Regional Economic Stability

Regional investment significantly affects regional economic stability in Sumatra. The regression coefficient for regional investment was 0.36, with *a t-value* of 4.21 and a p-value of < 0.05. Investment that enters the region contributes to increasing production capacity, creating jobs, and accelerating the infrastructure development needed to support economic growth. A good investment can strengthen sectors crucial to the regional economy, such as agriculture, tourism, and the food processing industry.

Economic Digitalization for Regional Economic Stability

Digital economic development has a significant impact on regional economic stability in Sumatra. The regression coefficient for economic digitalization is 0.33, with *a t-value* of 4.05 and *a p-value* of < 0.05. Digital economic transformation plays a vital role in accelerating economic transactions, improving distribution efficiency, and reducing transaction costs. The application of digital technology in the regional economy can expand market access and increase the competitiveness of local products, thereby supporting regional economic stability.

Real Sector Innovation as a Mediator between Food Security and Regional Economic Stability

Real sector innovation mediates the relationship between food security and regional economic stability. The regression coefficient for real sector innovation is 0.28, with *a t-value* of 3.75 *and a p-value* of < 0.05. Innovations in the real sector, such as the application of new technologies in agriculture and food processing, help increase the productivity and efficiency of the food sector. Thus, real sector innovation strengthens the influence of food security on regional economic stability.

Institutional Capacity as a Mediator between Fiscal Policy and Regional Economic Stability

Institutional capacity mediates the relationship between fiscal policy and regional economic stability. The regression coefficient for institutional capacity was 0.35, with *a t-value* of 4.01 and *a p-value* of < 0.05. High institutional capacity allows local governments to design and implement effective fiscal policies. Strong institutions facilitate coordination between agencies and support the implementation of policies that support regional economic stability.

From the results of the above hypothesis, it can be concluded; (a) Inflation control, food security, downstream supply chain, fiscal policy, regional investment, and economic digitalization have a significant influence on regional economic stability in Sumatra, (b) Real sector innovation and institutional capacity play a role as a mediating variable that strengthens the relationship between economic policy and regional economic stability, (c) Real sector innovations, such as the application of technology in the agricultural sector and food processing industry, helps improve the efficiency and competitiveness of local products, while strong institutional capacity facilitates more effective policy implementation. All policies tested in

this study were proven to have a positive influence on regional economic stability, with statistically significant results.

CONCLUSION

This study shows that inflation control policies, food security, downstream supply chain, fiscal policy, regional investment, and economic digitalization have a significant effect on regional economic stability in Sumatra. Real sector innovation and institutional capacity have proven to be mediating variables that strengthen the impact of economic policies on regional stability. All findings are supported by statistics with t-values> 1.96 and p-values < 0.05.

RESEARCH BENEFITS AND IMPLICATIONS

This research provides an empirical foundation for local governments to design more integrated economic policies, strengthen real sector innovation, and increase institutional capacity to accelerate sustainable economic growth and inflation control. The practical implications are in the form of synergy strategies between monetary, fiscal, food, and digital policies that can be adapted by provincial and district/city governments.

LIMITATIONS

The main limitations of this study lie in the scope of the region (only Sumatra), the limitations of the primary data (respondents are limited to local policymakers and related industry players), and the model variables, which can be developed according to the dynamics of national economic policies. The subsequent research is suggested to expand the study's scope to other islands in Indonesia, enrich the range of respondents, and add new variables, such as cross-sector digital economy integration and the impact of global macro policies.

RECOMMENDATIONS

This research recommendation is directed to the central and regional governments, especially the Regional Development Planning Agency (Bappeda), Bank Indonesia, the Agriculture Office, the Industry Office, as well as educational and research institutions in Sumatra to; (a) Strengthening the integration of inflation and food policies with economic digitalization, (b) Develop a training program to increase the capacity of regional institutions based on real sector innovation, (c) Coordinating across agencies in encouraging downstream food and facilitating strategic sector investment.

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APPENDIX

No	Variabel	Question Indicator	References
1	Inflation Control	1. To what extent are the inflation control policies implemented in your area effective in stabilizing the prices of goods and services?	(Q. Lu et al., 2024)
		2. To what extent are the inflation control policies implemented in your area effective in stabilizing the prices of goods and services?	
		3. Does your region's fiscal policy support inflation control with the right budget allocation?	
		4. To what extent does monitoring the prices of food and basic necessities in the market help in controlling inflation?	
2	Food Security	1. To what extent does your area have sufficient food availability to meet the needs of the community?	(Tan, L., & Lee, 2018)
		2. Do agricultural policies implemented in your area support long-term food security?	

No	Variabel	Question Indicator	References
		3. How does your region's dependence on food imports affect local food security?	
		4. To what extent is food distribution in your area running smoothly and not adding to price tensions?	
3	Food Downstream	1. Is the food processing sector in your area well developed to produce value-added products?	(Ridhwan, 2024)
		2. The extent to which local food products are processed to create jobs and support the regional economy?	
		3. Does the food downstream policy implemented in your area help increase the competitiveness of local food products?	
		4. How the development of the food processing industry in your area contributes to inflation control?	
4	Fiscal Policy	1. To what extent do local governments use the budget to support productive sectors that can improve the economy?	(Juhro et al., 2022)
		2. How do local tax policies affect the small and medium business sector?	
		3. To what extent does the budget allocation for food subsidies play a role in reducing inflation in your area?	
		4. Are regional fiscal policies adequate in creating a balance between income and expenditure?	
5	Regional Investment	1. To what extent do policies implemented by local governments attract domestic and international investment?	
		2. What is the role of investment in the agricultural sector and food processing industry in increasing food security?	(Wang & Ge, 2025)
		3. Are there any special incentives given to investors to support the development of the regional economic sector?	
		4. The extent to which investment in your area increases production capacity and creates jobs?	
6	Economic Digitalization	1. To what extent does the digitalization of the economy (such as electronic transactions and e-commerce) improve the efficiency of the real sector in your area?	(Huda, 2025)
		2. How the application of technology in the agricultural sector and the food processing industry contributes to increased productivity?	
		3. Do digital payment systems such as QRIS and ETPD help accelerate economic transactions in your area?	
		4. To what extent does digitalization help in expanding market access for local products in your area?	
7	Real Sector Innovation	1. To what extent is the agricultural sector in your area adopting new technologies to improve production yields?	(Han, 2024)
		2. How do innovations in food processing improve the quality and competitiveness of local products in domestic and international markets?	

No	Variabel	Question Indicator	References
		3. Whether local governments provide sufficient support for the application of new technologies in the real sector?	
		4. To what extent are innovations in the real sector (e.g., agricultural technology and digitalization of the food sector) helping to create new jobs in your area?	
8	Institutional Capacity	1. To what extent do government agencies in your area have the capacity to design and implement effective economic policies?	(Chen et al., 2018)
		2. How is the involvement of local government institutions in supporting food security and inflation control policies?	
		3. Is there good coordination between local government agencies in supporting integrated economic policies?	
		4. Sejauh mana kapasitas kelembagaan di daerah Anda dalam mengimplementasikan program-program terkait digitalisasi ekonomi dan investasi daerah?	