Analysis of Economic Inequality Middle Sulawesi Province 2015-2019

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A R T I C L E I N F O	ABSTRACT
	This study aims to determine the economic level in Central Sulawesi Province. This study uses secondary data and then analyzed using the Williamson Index analysis tool. The Williamson Index increased between districts/cities in general, increasing from 2015 which was 0.5 to 0.65 in 2019, with high levels because the Williamson Index coefficient is getting further from zero and closer to one. The regional government of Central Sulawesi Province in carrying out its activities is to prioritize areas that are lagging behind in development without the development of advanced regions, the development of equitable distribution of development results.
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1.   Introduction

Inequality in economic development is one of the problems that usually arise in the development process. Inequality in economic development occurs due to differences in the content of natural resources and differences in demographic conditions in each district/city, as well as the number of residents in the area. Consequences of differences Therefore, it is not surprising that in an area there are developed regions and underdeveloped regions. The occurrence of inequality between regions has implications for the level of community welfare between regions (Sjafrizal: 2008).

Tambunan (2001) states that the concentration of economic activity in a particular area directly impacts on income inequality between regions so as to create conditions where the area which is the center of concentration of economic activity will be better able to provide higher income to the community so that the community is relatively more prosperous, while on the other hand Regions that are not centers of economic activity are only able to provide low income, resulting in relatively low prosperity for the people.

The purpose of this study was to determine the level of economic inequality in Central Sulawesi in 2015-2019. As for the benefits of this research, it is hoped that it will be useful for local governments to formulate future development plans in order to overcome regional inequalities that occur in each district in Central Sulawesi Province.

2.   Method

The analytical method used in this study uses quantitative analysis. According to Mashyuri (2008) quantitative analysis method is a research that is not concerned with the depth of data, which is important to be able to record as much data as possible from a wide population. The analytical method used in this study is the Williamson Index.

To find out how big the level of economic inequality in Central Sulawesi Province
2015-2019, can be analyzed using the calculation of the Williamson Index. The basis for the calculation is to use GRDP per capita in relation to the total population per region. As stated by Syafrizal (2008) with the following formula:

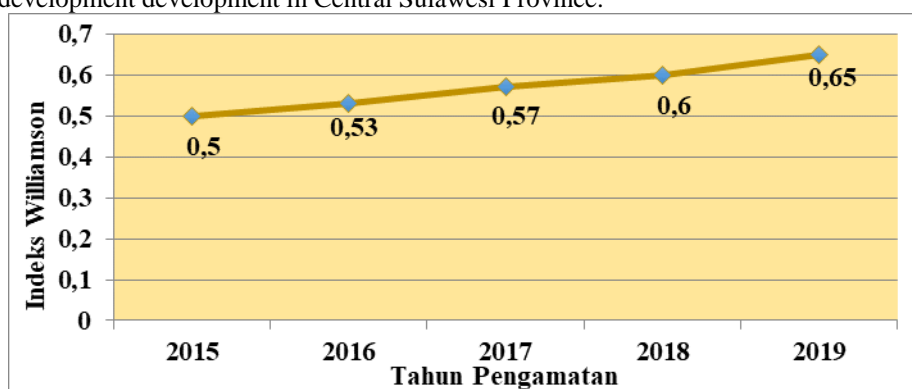$$IW = \sqrt{\frac{\sum_{i=1}^{n}(yi-y)2\frac{fi}{n}}{y}}$$

Information:

IW = Inequality Coefficient

y_i = Regional GDP per capita

y = GRDP per capita on average for all regions

f_i = total population per area

n = total population of the whole area

3. Results and Discussion

Measuring the level of economic inequality in the districts/cities in Central Sulawesi Province, the Williamson Index analysis tool is used. According to Sjafrizal (2008) if the index number is close to 1 (one), it indicates that the inequality is getting bigger or more unequal, and if the index number is close to 0 (zero) it indicates that the inequality is getting smaller.

The process of capital accumulation, labor skills and natural resources owned by a region is a determinant in the rate of regional economic growth. The variety of characteristics of a region causes a tendency for inequality to occur in an area. The size of GRDP per capita in each district/city provides an overview of the condition of development development in Central Sulawesi Province.

According to Sinaga in his research, the Williamson Index which is at a coefficient of less than 0.35 is included in low economic inequality. From 2015-2019 the results of the Williamson Index research in the picture above, Central Sulawesi Province is in high inequality, and the Williamson Index coefficient continues to increase every year.

In 2015 the Williamson Index of Central Sulawesi Province was 0.5 which means the level of inequality is moderate but throughout 2016-2019 the Williamson Index has always increased from 0.53 in 2016 to 0.65 in 2019 which means the level of inequality is high. According to Sjafrizal, 2008 stated that during the early stages of development, the existing development opportunities and opportunities were generally utilized by regions with better development conditions. Areas that are able to attract private investment will increase their regional economic growth.

4. Conclusion

From the results of the calculation of economic inequality using the Williamson Index analysis for the 2014-2019 period from twelve districts and one city in Central Sulawesi Province, it shows a high level of economic inequality because the index shows that it is getting further from zero or close to one, but the inequality coefficient figures show an up and down trend.

In an effort to reduce inequality, the development of economic growth centers is very necessary. By utilizing the economic potential of the region then encouraging regional development so as to increase community productivity and smooth regional economic activities. The government, especially for the Province of Central Sulawesi, should make efforts to improve the quality of human resources equally. Improving the

quality of human resources equally can be done by increasing entrepreneurship education, job training, increasing mastery of technology, and others. The government needs to pay attention to the condition of Human Resources, especially in Central Sulawesi Province so that the welfare of the community increases and is evenly distributed throughout the region so that the level of inequality decreases.

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