

THE GINI INDEKS AND FACTORS CAUSES OF INEQUALITY IN INCOME IN WAJO DISTRICT SOUTH SULAWESI PROVINCE IN INDONESIA

Nashriah Akil

ABSTRACT

The purpose of this study to determine the factors - factors that cause inequality in Wajo regency of South Sulawesi province where during the time that has always been a measure of success of economic development in the measure of the level of the economic growth of a region.

Methods using survey method with a sample size of 300 people by the criteria of the lowlands, coastal sea. Coastal lakes and urban areas. The analytical method used is the Gini index ratio with the standard of the World Bank by category according to the criteria of inequality Gini ratio. Data collection method used is survey conducted on four groups of regions (City, Plains / Peranian, Coastal and Coastal lake) using the technique of cluster sampling and then split three income brackets (Poor, Medium, Dan Rich), with techniques proportionate stratified random sampling.

The result of the calculation penelitimn Gini index in urban districts Tempe shows inequality value of 0.67, or it can be said that there is high inequality ($G_i > 0.5$) The calculations show that the agricultural area Maniangpajo districts, with the income from rice farming with inequality is high but still below the inequality in urban areas, it can be seen from a Gini index of 0,61.1 ndeks gini coastal areas of the lake districts Tanasitolo of 0.67 indicates that this wilyah own communities with high income inequality, while coastal areas are the ball is represented by the District have the gini index of 0.61 which indicates that this wlayah have income groups with high inequality.

Keyword: *Gin Index Ratio and Income Inequality.*

1. INTRODUCTION

1.1. Background

Economic development of the region is a process in which the regional governments and communities to manage existing resources and form a pattern of a partnership between the Regional Government and the private sector to create a new jobs and stimulate the development of economic activity (growth) in the region. As a measure of the success of development can be seen from the economic growth, economic structure and smaller income inequality among the population, between regions and between sectors. But the fact that economic growth is not always followed equalization adequately.

On a national scale, the level of prosperity among the regions to be unbalanced approach to macroeconomic growth, and a centralized government which tends to undermine the equality and fairness of development between regions are quite large. Investment and resources absorbed and concentrated in urban and growth centers, while the area - areas far from urban (*hinterland*) experienced excessive exploitation of

resources. At the macro level it can be seen that a significant imbalance of development between rural and urban, for example, between the Indonesian region of East and West Indonesia, between Java and outside Java, and so forth (Choirie, 2009: 74). Local Government Wajo as the implementing institution building in Wajo also have a great responsibility to improve the performance of the regional economy and improve the welfare of by community because urgen local government through a series of development policy interventions have strategic significance in determining the success goal economic development.

Indicators are often used to measure the success of economic development is economic growth. The pace of economic petumbuhan. This shows the level of economic development of the macro, and sector. Development aggregative economic growth is also a reflection of the level of income of a better society, whereas in non-economic areas of these increases indicate an improvement in the level of health, education, housing, environment life and other aspects of society. With a 9.15% economic growth rate in 2014, the macro economic development in Wajo can be quite successful in moving the economy. Problems arise when

economic growth is associated with the level of social welfare of the public economy. By looking at the economic structure of Wajo which is dominated by the agricultural sector in its contribution to the economic growth of 9.21% with a share of 30.88%, but under the mining and quarrying sector is the growth rate of 15.12% with a share of 22.24%. The low rate of growth in the agricultural sector compared to other sectors then this may lead to differences in the accelerated development of each region. Several region, especially in urban areas and low-lying infrastructure to support trade and industry has a high economic growth rate, while the agrarian regions experiencing economic. With growth slowing growth difference is what triggers the income gap between the communities.

Thus, the construction of which is only concerned with the economic growth rate, it turns out that does not cause problems little for development means in area. Without this objective has been achieved, the pace of economic growth has not been able to solve the problem of equitable distribution of development outcomes such as jealousy, insecurity disitegrasi wilayah dan widening economic disparity and sharp. High economic growth rates without the presence of pattern more equitable revenue sharing, it will basically be more profitable high-income segment of the population compared to those with low incomes because no leachate development to low-income groups (*trickledown* effect). Based on the above, the need for studies on. *The gini indeks and factor - Causes of Income Inequality in Wajo district South Sulawesi province in Indonesia.*

1.2. Purpose

Based on the above background, the implementation of this study is Information on the factors - factors that cause inequality in Wajo are intended to provide information on the levels of the gini indeks and income inequality among regions in Wajo.

1.3. Objectives and targets

Objectives of this study are:

- a. To investigate the factors - factors that cause the level of income inequality based approach to the household expenditure on coastal areas, lowlands, highlands and mountainous terrain as well as the general Wajo by category according to the criteria of inequality Gini ratio.
- b. Obtain a picture of the level of income inequality of each district is based on the level of income inequality of each region of coastal areas, lowlands and mountainous terrain.

2. STUDY OF THEORETICAL

2.1 Income Distribution

Income distribution reflects evenly or gap in the development of a country sharing among a population (Dumairy, 1999) .Distribusi revenue can be divided into two basic sizes, namely, distribution of size, is large or small portion of the revenue received by each and the functional distribution or distribution of the factors of production (Todaro, 2000). Of the two definitions, it can be concluded that the inequality of income distribution or inequality reflects the results of development of a region or country well received by each person or from the ownership of the factors of production among the population. According to Irma Adelma and Cynthia Taft Morris (in Lincoln Arsyad, 1997) there are eight things that cause inequality or inequality distribution of income in Developing Countries:

1. High population growth which results in lower per capita income.
2. Inflation where the money income increases but it is not followed in proportion to the increase of production of goods.
3. Inequality of development among regions.
4. Investment is very much in projects that solid mod (*Capital Incentive*), so that the percentage of revenue from additional working capital compared with the percentage of income derived from work, so unemployment increases.
5. The low social mobility.
6. The implementation of the industrial policy of import substitution which resulted in rising prices of industrial products in order to protect the efforts of the capitalist class.
7. Worsening exchange rate (*term softtrade*)for Developing Countries
8. In the trade with the developed countries, as a result of lack of demand elastisan Developed countries to export goods Developing Countries.
9. The destruction of folk craft industries such as carpentry, home industries, and others.

2.2 Development With Equitable

Economic changes in addition to the pursuit of economic growth must also consider aspects of equalization. There are two arguments related to economic development issues with equalization (Todaro, 2000).

a. Traditional arguments

Traditional arguments focused more on the management of the factors of production, savings and economic growth. Income distribution is very uneven is something that had to be sacrificed in order to spur economic growth either cepat. Akibat of influence theory and free market economic policies, the acceptance of thought as such by economists in general from developed countries and developing countries, either implicitly or explicitly indicated that they did not heed the importance of the problem of poverty and the unequal distribution of pendapatan. Mereka not only consider income inequality as a condition worthy sacrificed in the process of economic growth reach a maximum and when in the long term gap necessary condition to improve lives residents through a competition mechanism dripping down (trickledown effect) naturally.

b. Counter arguments

Because there are many development economist who feels that a more equitable distribution of income in developing countries cannot be in nomorduakan, because it is an important condition or requirement that must be held in order to support economic growth (Todaro, 2000). In the counter-argument that there are five reasons namely; **First.** Inequality is so great and so widespread poverty has the created conditions such that the poor do not have **access** to acquisition kredit. Berbagai these factors together account for the low growth in GNP per capita than if there is a greater distribution of income.

Second. Based on observations at a glance which is supported by the data available empirical-data, we know that nothing like that happened in the history of economic growth in developed countries, rich people in third world countries cannot be expected ability or willingness to save and embed invest in the domestic economy.

Third. The low income and standard of living of the poor were tangible in the form of poor health conditions, lack of food and nutrition and education are low it will decrease their economic productivity and ultimately result in lower overall growth of national economy.

Fourth. Efforts to raise the income level of the poor will to grow increase demand for goods produced in the country such as groceries and clothing.

Fifth. With the achievement of a more equitable distribution of income through efforts to reduce poverty, it will be immediately created many incentives or stimuli and psychological material which in turn will become an obstacle to economic progress. It can be concluded that the promotion of rapid economic growth and poverty reduction efforts and efforts to overcome inequality of income is not the objectives are conflicting so that one does not need to be prioritized at the expense of others. To measure the inequality of income distribution or determine whether the unequal distribution of income or not, can be used categorization in the Lorenz curve or using the Gini coefficient.

2.3 The Lorenz curve

Lorenz curve plots the cumulative distribution of national income among the layers of the population. This curve lies within a square that symbolizes the establishment of the cumulative percentage of national income, while the flat side represents the cumulative percentage of the population. The curve itself is placed on the main diagonal squares that. Curve Lorenz increasingly close to the diagonal (the straight) implies national income distribution more equitable. Conversely, if the Lorenz curve farther away from the diagonal (the arch), it reflects the situation gets worse, the more unequal the distribution of national income and uneven. (Lincolin Arsyad, 1997).

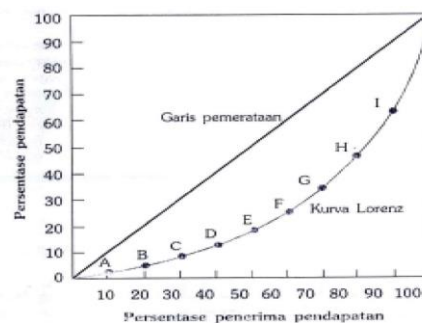


Figure 2.1 Lorenz Curve

2.4. Gini Index or Ratio

Opinion or size based on the Gini coefficient or Gini ratio idea by *C.GINI* who saw the connection between incomes totally received by the entire family or individual with income totally. The size Gini Ratio as a measure of equity with income interval value between 0 and 1. When approaching the Gini Ratio nol to value existence of inequality is low and when the Gini Ratio indicates inequality tinggi. Equally with one used to calculate the value of the Gini Ratio is:

$$G = 1 - \sum_{i=1}^k \frac{P_i(Q_i + Q_{i-1})}{10000}$$

Where:

G = Gini Ratio

P_i = Percentage of households income class all i

Q_i = Percentage of cumulative earnings up to grade-i

Q_{i-1} = Percentage of cumulative earnings up to grade all i

k = amount of class income

Value Gini between 0 and 1, where a value of 0 indicates the level of equalization is perfect, and the greater the value, the more imperfect Gini income distribution levels. But in the study of empirical studies, especially in a *single* country, it turns out poverty **not synonymous** is with wellbeing. This means that the size of the size of the above does **not** reflect the level of welfare. Studies conducted by Ranis (1977) in Tulus Tambunan (2001) suggested that in the Republic of China and Ravallion and Datt (1996) in Tulus Tambunan (2001) suggested that in India, shows the two countries seen from the level of per capita income and the size of the Gini (Gini *ratio*) indicates the level of poor severe enough. But seen from the level of prosperity, the two countries are still better than beberapa Latin American countries that have levels of the Gini *ratio* low and per capita income levels tinggi. Ranis, Ravallion and Datt incorporate factors such as the level of convenience that's getting an education, the right to information, health services easy and inexpensive, safe feeling well in getting education and employment, and others. The point is in measuring poverty, many non-financial variable that must focus. Variabel financial (income) is not the only variable that should be used in calculating kemiskinan. Namun if decision-makers, more focused on the *study of variable cross* in addressing the problem of poverty, it means poor (low income) overcome by increasing welfare in the broadest sense.

2.5 Index Williamson

Index Williamson introduced by Williamson in his 1965 is a method to measure regional inequity. This method is obtained from the calculation of per capita and population in a systematic country. By Williamson index calculation is as follows:

$$IW = \frac{\sqrt{\sum (Y_i - Y)^2 f_i / n}}{Y}$$

Where:

IW = Index Williamson

Y_i = GDP per capita in the district / city i

Y = GDP per capita in Central Java province

f_i = Population district / city i

n = total population in the province of Central Java.

The magnitude of this Williamson Index is positive and ranged from zero up to satu. Semakin great value of this index (approaching one) means that the greater the degree of income inequality among regions within that. Withback smaller value of this index (close to zero) means that the equal income levels evenly among the areas in the region.

Oshima establish criteria to determine the level of income inequality between regions, whether inequality is high, medium or low. Untuk it is determined the following criteria (BPS, Equity Income and Consumption Patterns Population Central Java, 2000).

- High inequality if $IW > 0.5$
- Inequality Average if $IW = 0.35$ to 0.5
- Inequality Low if $IW < 0.35$.

However, Williamson's Index has the disadvantage of this new calculation illustrates the income levels of global extent and how much the share received by low-income groups or the poor get nothing seemed clear.

2.6. Effect of Income Distribution Inequality against Poverty

One of the causes of poverty is the lack of unanimity resource ownership patterns which in turn would lead to an unequal distribution of income. Elimination of poverty and growing inequality of income distribution is one of the core issues of development, particularly in the State Average Development. With-depth discussion of the problems of inequality and poverty can be used as a basis for analyzing problems more specific development such as population growth, unemployment, rural development, education, etc. According Lincoln Arsyad (1997), a very simple way to approach the problem distribursi income and poverty is to use the framework of the production

possibilities. According to Todaro (2000), Effects of the unequal distribution of income to poverty is affected by the increasing number of population. Population growth tends to have a negative impact on the poor, especially for those with very large miskin. The poor families have many number of family members so that their economic conditions that are worsening the poverty line along with the worsening of income inequality or welfare.

2.7. Development Indicators Formulation Approach

Basically there are three main approaches in the formulation of development indicators. *First*, the input approach that is used as the development budget, credit for low-income populations, the number of schools, the number of hospitals etc. *Second*, the approach is output via the output

approach will be shown in the results achieved from these development efforts, the increase in food production, nutrition, decreased mortality and etc. *Third*, the structural approach in this structural approach will be more noticed changes in the structure of economic, social, cultural, and political in the context of the long-term.

In some ways difficult to held the differences between the output approach and structural approach. Otherwise not infrequently used in conjunction with the input indicators output indicators dalam a development component. There is thus a third classification approach to the development of indicators of this development is more analytical than operational. The components of development that can be used as the basis of a review of the development process can be expressed as follows:

APPROACH INPUT	APPROACH OUTPUT	TO	APPROACH TO STRUCTURAL
Financial Budget	Food		Income Distribution
Donations	Clothing		Employment
Community	Housing		Opportunities Sought
Credit group	Education		<i>Environment</i>
Low income	Health		<i>Economic Growth</i>
Foreign Assistance	Justice		Political
Support	Administration		<i>International Relations</i>
Apparatus	Stability		

Device development components can be expanded or narrowed. In preparation activities with the Regional Economic Development Masterplan study of factors - factors of inequality and Regional Macroeconomic indicators as the Basis for Medium-Term Policy Making in Wajo, attention will be directed at the components of economic growth and revenue-sharing component. Both of these components can be considered a strategic component of regional economic development. Components of economic growth cannot be separated from revenue sharing component. A process of economic growth without revenue sharing revenue sharing or otherwise without economic growth is a matter that lame.

3. METHODS

3.1. Location and Time Research

This research was independently conducted research in Wajo, which is one of the districts in the province of South Sulawesi, and implemented from June 2017 until December 2017.

3.2. Method of Data Collection

To support the writing, the data collection method used is survey conducted on four groups of regions (City, Plains, Coastal and Coastal lake) using the technique of *cluster sampling* and then split three income brackets (Poor, Medium, and Rich), with **Proportionate stratified random sampling technique**. Research Library (Library Research) research that is done by collecting data through literature, journals, monographs, newspapers, magazines, and the Internet are closely related to the subject matter of research and support for the preparation of this study. This study uses a survey method using questionnaires.

Types and Sources of Data

The type of data that is required in this study, in the form of primary data obtained from questionnaires from sample objects that have been, and secondary data, among others:

- a. Data on population, Gross Domestic Product (GDP) and Budget (APBD) Wajo for five (four) years.
- b. The number of population by districts Wajo last 3 years of data the Development of Human Wajo and the province of South Sulawesi last 3 years.

The above data obtained from the results of a survey conducted by the Central Bureau of statistics (BPS) and the annual report from each agency, department, or agency concerned.

3.3 Analysis Method

The analysis method used in this study is a Descriptive Analysis Method. For the purpose:

1. Analyze using large cross tabulation on household expenditure for food consumption.
2. Analyze using cross-tabulation of the spending household non-food household expenditure; such as housing and household amenities; miscellaneous goods and services; clothing, durable goods; taxes and insurance; and the party needs.

4. OVERVIEW WAJO

Wajo Administratively perform division, until the end of 2014 has 14 districts and 176 villages / wards comprising 128 villages and 48 urban villages. Each sub-district has natural resources and human resources that are not much different so pemamfaatan to support development in each district is relatively the same.

District of	Population (People)	
	2014	2015
Sabbang Lung	26.492	26.613
Ball	20.074	20.288
Takkalalla	21.569	21.819
Sajoanging	19.252	19.609
Penrang	16.369	16.479
Majauleng	32.764	33.215
Tanasitolo	40.678	41.014
Belawa	32.709	33.202
Pajo Maniang	16.557	16.804
Gilireng	11.652	11.785
Keera	23.198	23.672
Pitumpanua	43.962	44.733
Wajo	399 287	404.538

Tabel.4.1 Total Population by Sub district

Residents Wajo from 2014 to 2015 increased from 399 287 404 538 soul into the soul, an increase of 1.32%, where the apes districts as districts with the largest growth rate (2.04%) and the smallest is the District Pammana (0, 45%). But

Tempe is the District of the District with the highest population (63.114 inhabitants) and the District Gilireng has the lowest population (11 785 inhabitants). Wajo is one of the districts with abundant natural resources, particularly in the

agricultural and mining sectors, and the largest contributor to agricultural products of rice in the province of South Sulawesi, making agriculture a key sector of Wajo followed by mining.

YEAR OF	PDRB (Rp. Million)	PORTION (%)
2012	8.819.110,10	32,28
2013	9.424.444,30	32,04
2014	10,286,598.00	32,41

Table 4.2 Development of Total Contribution and Portion of Agricultural Sector in the Gross Domestic Production Year 2012-2014

Shown in Table 4.2 that the contribution of the sector to the total production of Wajo in parentheses last three years contributed in large enough quantities, despite the growth of agriculture's contribution to the economy is not so significant improvements and is likely to remain. Increasing number of people can be a capital for development in Wajo if the population is more productive, especially

the agricultural sector, which became the main pillar of regional income Wajo. If the productive population measured by the level of education, health and income which is also an indicator of the Human Development Index (HDI), so that through this index indicator development community welfare in Wajo.

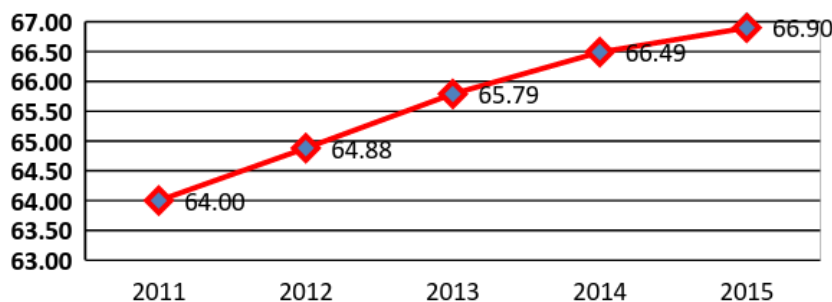


Figure 4.1 Graph Human Development Index

Wajo experiencing a positive trend of the Year 2014-2015, an increase of 4.53%, which indicates that there is a development in the aggregate welfare, namely in terms of income, education, and health in Wajo amounted to 4.53 % since 2014 to 2015, but until 2015 HDI value Wajo still always under IPM South Sulawesi Province, which shows that the average HDI Wajo still below most districts in South Sulawesi province, as shown in Table 4.2 which shows the development of the district and the HDI value of South Sulawesi province. If viewed more deeply, Table 4.3 shows that the position of Wajo in the list of HDI in South Sulawesi since the

year 2011 to 2015 is always on the outside of the top 10 as the districts with HDI highest, but has improved which in the year 2011 position Wajo on ranked 14th and in 2015 is at the 12th position as the district / city with the highest HDI value.

Table 4.3 Development of HDI District and South Sulawesi Province Period 2011-2015

District	IPM
----------	-----

	2011	2012	2013	2014	2015
Selayar	62.53	62.87	63.16	63.66	64.32
Bulukumba	63.36	63.82	64.27	65.24	65.58
Bantaeng	63.07	63.99	64.88	65.77	66.20
Jeneponto	58.95	59.62	60.55	61.45	61.61
Takalar	60.83	61.66	62.58	63.53	64.07
Gowa	64.65	65.45	66.12	66.87	64.42
Sinjai	62.74	63.47	63.83	64.48	62.13
Maros	65.50	66.06	66.65	67.13	64.95
Pangkajene Islands	64.30	65.24	66.16	66.65	63.60
Barru	66.07	67.02	67.94	68.64	65.73
Bone	60.77	61.40	62.09	63.11	60.21
Soppeng	64.05	64.43	64.74	65.33	63.80
Wajo	64.00	64.88	65.79	66.49	66.90
Sindereng Rappang	66.19	67.15	68.14	69.00	65.88
Pinrang	67.64	68.14	68.92	69.24	66.96
Enrekang	67.74	68.39	69.37	70.03	67.03
Luwu	65.43	66.39	67.34	68.11	64.71
Tana Toraja	63.96	64.55	65.08	65.75	63.22
North Luwu	65.99	66.40	66.90	67.44	65.57
East Luwu	69.34	69.53	69.75	70.43	68.94
North Toraja	64.48	64.89	65.65	66.15	66.76
Makassar	77.82	78.47	78.98	79.35	79.94
Pare-pare	74.20	74.67	75.10	75.66	76.31
Palopo	74.02	74.54	75.02	75.65	76.27
in South Sulawesi	67.26	67.92	68.49	69.15	66.65

Source: BPS South Sulawesi, in 2017

The per capita income level differences are significant this may be one indication of regional development gaps in the region / district in South Sulawesi as a result of the high concentration of economic activity in the growth centers in the region. Nevertheless, the concentration of economic activity in certain areas cannot be avoided and even tend to be needed for economic growth. This is one part of the development process in which inequality of the region are the natural consequences if they are still within the limits of the feasible. So it is necessary to identify development gaps mapping happened, to be used to anticipate and anticipate inequality and create synchronization of regional growth in South Sulawesi.

5. RESULTS AND DISCUSSION

5.1 Results

Based on interviews using questions that structured arranged in the form of questionnaires obtained data are then compiled in tabular form.

a. Expenditure To Food

Expenses for food shows the extent of major expenditure on the basic necessities of life related to nutritional needs, food and supporting drinks which every individual requires in daily life, which measured the amount of spending in one week, which is then disimpulkan as aesthetically in Table 5.1

	Poor	Medium	Rich
City	126.600	209.600	400.800
Plains	89.000	214.200	483.800

Coastal	115.200	261.600	519.200
Coastal Lakes	106.800	296.200	497.200
Average	109.400	245.400	475.250

Table 5.1 Average for Food According to Regions and Group Revenue in Wajo

Shown in Table 5.1 that food expenditures on average for food for the group income poor, middle and rich to each according to its geographical wilyah there are considerable differences in the foods and the largest expenditure on average for all

income groups is a food rich in protein (fish, meat, eggs and milk). If viewed per group revenue in the group found that the area of food consumption expenditure does not have a significant difference.

b. Household Expenditure Not Food

Expenditure Housing and Amenities Households showed a major household expenditure such as rent, home repair, electricity, water and telephone, but the routine expenditures such as electricity, water and telephone the type of expenditure that exist in every household, while

expenditure on rent and home improvements are not regular expenses, naun remain a burden in the home tangga. Secara average household expenditure for perumahan and household facilities, can be seen in Table 5.2.

Table 5.2 Expenditure Housing and Household Facilities

	Poor	Medium	Rich
City of	532.800	2,220,400	10,811,200
Plains	596.800	1,823,600	9,870,400
Coastal	588.800	2,181,200	6,618,200
Coastal Lakes	515.200	2,712,400	10,376,600
Average	558.400	2,234,400	9,419,100

Processed Data, 2018

Shown in Table 5.2 that expenditure on housing and household facilities (electricity, water, gas, and Phone) is a type of expenditure that has a big enough difference in the three groups of income in a year in which the group has a rich revenue expenditure of around 17 times the expenditure of the poor. It points out that the expenditure of the poor in all four regions have expenses that are not much different, so with the middle group, but somewhat different from the expenditure rich group that has a fairly wide range of expenditure when compared to spending the middle class and poor.

needs (bath and laundry), medical expenses, education fees, electricity, water and gas, transportation, and driver and maid.

c. Spending To Miscellaneous Goods and Services

Expenditures for miscellaneous goods and services showed a large consumption of sanitation

A Cording of the interviews showed that not all indicators of expenditure of various goods and services become a burden on households in Wajo, including the expenses for the driver and a household assistant, because only certain households who use the services of household assistant and driver, then the cost of health where some of the research object not follow Jamkesmas program, while others consider the health costs for payment BPJS as levies or insurance. To view the large average expenditure on miscellaneous goods and services according to income brackets and bracket area can be seen in Table 5.3.

Table 5.3 Household Expenditure On the Miscellaneous Goods and Services According to Group revenue and Group Areas

	Poor	Medium	Rich
Town	594.200	4,064,000	78,924,000

Square	993.600	3,848,000	56,020,000
Coastal	515.200	3,272,000	14,757,600
Coastal Lakes	709.000	1,608,000	50,724,600
Average	703 000	3,198,000	50,106,550

The poor expenditures on average for miscellaneous goods and services san gat away underweight average expenditure on miscellaneous goods and services group rich in a year, where penegeluaran the poor only in the range of up to one million in a year while the wealthy have an average of tens of millions (USD 50,106,550). Expenditure of the poor on various goods and services in all regions, do not have significant differences, while the middle group expenditure on goods and services, find groups of coastal areas of the lake has a number of

different expenditure by three groups lainnya. Demikian region is also rich with expenditure groups are shown in Table 5.3 where the rich income groups in the coastal zone has expenditure on miscellaneous goods and services is small if it be compared to other area groups ranged from 3 to 5 times smaller.

d. Expenditure Clothing and durable goods

Spending for apparel and durable goods is the amount of income allocated to kbutuhan clothing and durable goods that support the household.

Table 5.4 Expenditure Mean For Clothes And Durable Goods

	Poor	Medium	Rich
City	103,000	2,270,000	2,690,000
Dataran	37,000	1,520,000	8,690,000
Coastal	150,000	950,000	2,110,000
Coastal Lake	10,000	770,000	11,440,000
Average	75,000	1,377,500	6,232,500

Expenditures for clothing and durable goods have differences large enough on average for the three income brackets, however basically the expenditure of this type for the middle class and the rich, especially in the cities do not have significant difference except in the other three areas (agriculture, coastal and pesir lake) because in this area there are two groups, namely the working class and the class of owners of capital, in golonan capital owners often buy goods such investments to agricultural regions, capital owners (landlords) purchase of production machinery and processing of agricultural produce, and the coastal area of the lake pesir buy a boat and a tangkap tool.

mandatory and is collected by the state / region and for risk guarantee will come.

e. Spending Taxes, Charges and Insurance

Expenses taxes / levies and insurance is a type of expenditures incurred by households is

Table 5.4 Expenditure Mean To Taxes, Charges and Insurance

	Poor	Medium	Rich
City	96,000	690,000	3,237,200
Plain	104,000	2,874,000	3,077,200

Coastal	232 000	1,954,000	4,216,000
Coastal Lake	32,000	1,664,800	4,140,000
Average	116,000	1,795,700	3,667,600

Table 5.4 shows the type of the issuing of taxes / levies and insurance by households in three income groups and four groups of the region, which then shows the difference that high spending on the three income groups. However, when viewed by region rich income groups seem that the differences are not so great, and it appears that the coastal areas of both the rich and miskin have the highest expenditures. It may just be because of taxes / levies imposed on seaweed farmers in land / sea grass planting area cultivated.

f. The Gini index

Measurement index gini is done to determine how much income inequality in the region

/ area, thus it can be said that their index information gini in one region, policymakers could soon make policies to overcome this because many excesses that arise as a result of inequality that arise, especially at high inequality.

In this study, the city area is represented by the District Tempe, plain areas / agriculture is represented by the District Sabbangparu, Coastal region represented by the District Ball, Coastal lakes region represented by the District Tanahsitolo. The Gini index Urban Areas. Urban areas in this case is District of Tempe has a population in 2015 of 63.114 inhabitants.

Table 5.6 Calculation of Gini index Urban Areas In Wajo

Income	Cumulative Population (X _k)	Cumulative Spending (Y _k)	X _k - X _{k-1}	Y _k - Y _{k-1}	(X _k -X _{k-1}) / (Y _k -Y _{k-1})
< 1.000.000	0.3333	0.0364	0.3333	0.0364	0.0121
1.000.000-5.000.000	0.6667	0.1119	0.3333	0.1483	0.0494
5.000.000-10.000.000	0.8667	0.3405	0.2000	0.4524	0.0905
> 10.000.000	1.0000	1.0000	0.1333	1.3405	0.1787
					0.3308
					G_I= 0.67

The result of the calculation of the Gini index in urban areas show the imbalance value of 0.67, or it can be said that there is high inequality (G_I>0.5)

- Gini index Plains Region / Agriculture wilayah plain / agricultural Sabbangparu represented by the District with a population of 26 613 inhabitants

Table 5.7 Calculation of Gini index Farming In Wajo Region

Income	Cumulative Population (X _k)	Cumulative Spending (Y _k)	X _k - X _{k-1}	Y _k - Y _{k-1}	(X _k -X _{k-1}) / (Y _k -Y _{k-1})
< 1.000.000	0.3333	0.0352	0.3333	0.0352	0.0117
1.000.000 - 5.000.000	0.8000	0.2369	0.4667	0.2720	0.1269
5.000.000 - 10.000.000	0.8667	0.5304	0.0667	0.7672	0.0511
> 10.000.000	1.0000	1.0000	0.1333	1.5304	0.2041
					0.3939
					G_I= 0.61

The calculations show that the agricultural areas in Wajo, have income communities with high levels of inequality but still below inequality in urban areas, it can be seen from a Gini index of 0,61. meskipun in this region is very thick relationship and the subordinate employer, where the employer (owners of capital) is the owner of the land, and subordinates are agricultural laborers and seasonal workers that gave birth to such high inequality, yet remain in

family relationships, so the inequality in the region is still below the city area.

The Gini index Coastal Region

Coastal areas Wajo, in this study represented by the District Ball, with a population of 20,288 people.

Table 5.8 Calculation of Gini index Coastal Region
In Wajo, 2018

Income	Cumulative Population (X_k)	Cumulative Spending (Y_k)	$X_k - X_{k-1}$	$Y_k - Y_{k-1}$	$(X_k - X_{k-1}) / (Y_k - Y_{k-1})$
< 1.000.000	0.3333	0.0476	0.3333	0.0476	0.0159
1.000.000 - 2.500.000	0.7333	0.1337	0.4000	0.1813	0.0725
2.500.000 - 4.000.000	0.8000	0.3452	0.0667	0.4789	0.0319
> 4.000.000	1.0000	1.0000	0.2000	1.3452	0.2690
					0.3894
					G1= 0.61

Coastal areas are represented by the District have the ball gini index of 0.61 which indicates that this wlayah have income groups with high inequality. This condition occurs due to low income people do not have arable land and is entirely dependent on sea conditions and no fishing vessels that are adequate so that in everyday acts only as pekeja in a fishing boat (mustard) owned by the skipper of the ship.

- The Gini index Coastal Region Lakes

Coastal area lakes Wajo represented by the District Land Sitolo though, District Tempe is also the coastal areas of Lake Tempe, but in this case been Tanah Sitolo because they feared going difficulties when differentiating areas of the city and the coastal area of the lake. Tanah seanyak sitolo has a population of 41 014 inhabitants.

Table 5.9 Calculation of Gini index Coastal Lakes in Wajo, 2018

Income	Cumulative Population (X_k)	Cumulative Spending (Y_k)	$X_k - X_{k-1}$	$Y_k - Y_{k-1}$	$(X_k - X_{k-1}) / (Y_k - Y_{k-1})$
< 1.000.000	0.4000	0.0275	0.4000	0.0275	0.0110
1.000.000 - 5.000.000	0.7333	0.1051	0.3333	0.1326	0.0442
5.000.000 - 10.000.000	0.8667	0.4607	0.1333	0.5657	0.0754
> 10.000.000	1.0000	1.0000	0.1333	1.4607	0.1948
					0.3254
					G1= 0.67

Table 5.9 shows that the Gini index coastal areas of the lake of 0.67 indicates that this wiliyah have people with high income inequality, it can be seen in Table 5.3 and 5.5 on expenditure, miscellaneous goods and services as well as clothing and durable goods shows the difference in height between the poor and rich.

5.2. Discussion

Based on the above results of such research can be some alternative formulation of strategies to achieve the targets recommended in reducing the

extent and causes inequality in Wajo. Some hasl include:

1. Increased Competitiveness of Regions
2. Physical Development Program / Localities
3. Superior Product Development Program
4. Strategic Growth
5. Increased Consumption Growth
6. Increased Investment
7. Increased Export Oriented Products
8. Increased Productivity
9. Quality Development Program Human Resources
10. Increasing Employment Opportunities
11. Development of Science and Technology
12. Empowerment program
13. Regional Capacity Development.

6. CONCLUSIONS

Conclusions from this study as follows:

1. Inequality in Wajo in general are still high, which if viewed from its geographical position generates inequality among social groups. Urban areas and coastal lake has a public

income inequality is higher (0.67) compared to agricultural areas and coastal areas (0.61).

2. High income differences are mainly due to spending on housing and household amenities, and pengeluaran miscellaneous goods and services, as well as the consumption of durable goods, while at the expense of food in general can be said to have a difference that is not too high.

Suggestion

The suggestions in this study, among others

1. To reduce the inequality of income the government subsidy program for electricity and other energy.
2. Because the cost of transportation is high enough then there needs to be an effort to suppress the transportation costs.
3. Further studies need to be deeper by expanding the respondent and study area.

REFERENCES

1. World Bank, 2007, Poverty Reduction, Expanding Horizons Indonesian, Jakarta.
2. Bappeda Kab. Wajo, 2013, Wajo Score, BPS Kab. Wajo
3. Regency Bappeda. Wajo, 2014, Wajo Score, BPS Kab. Wajo. ,
4. Bappeda Kab. Wajo, 2015, Wajo Score, BPS Kab. Wajo
5. Bappeda Prov. SulSel, 2015, South Sulawesi in Figures, South Sulawesi BPS
6. Brahmatt, Milan, 2006, Kemiskinan in Indonesia yet Terentaskan, RepublikaOnline, Jakarta.
7. Brannen, Julia, in 1999, mixing the Qualitative and Quantitative Research Methods, Faculty of MT IAIN Antasari Samarinda and Library Student, Yogyakarta.
8. Dewanta, Cloud Setya, (Ed), 1995, Poverty and Inequality in Indonesia ICMI Orwil DIY, Yogyakarta.
9. Erani, Yustika Ahmad ,, 2003, State Versus the Poor, Reader Student, Yogyakarta.
10. Esmara, Hendra, 1986, the Planning and Development in Indonesia, PT. Gramedia, Jakarta.
11. Fox Piven, Frances and Richard A. Cloward, 1993, *Regulating the Poor: The Function of PublicWalfer*, Vintage Books.
12. <http://web.worldbank.org/> 2007, Poverty, Indonesian Wikipedia, the free encyclopaedias.
13. Jhingan, ML, 2007, Economic Development and Planning, PT. RajaGrafindo Persada, Jakarta.
14. Kartasasmita, Ginandjar, 1995, the Development for People: Combining Growth and Equity, CIDES, Jakarta.
15. Koentjaraningrat 2004, Man and Culture in Indonesia, Djambatan, Jakarta.
16. Kuncoro, Mudrajat, 2000, Economic Development: Theory, Issues and Policy, Publishing and Printing Unit Academy of Management YPKN, Yogyakarta.
17. Lerner, Daniel, 1978, Technology, Communication and Development, in Eduard Depari and Colin Mc Andrew, eds,
18. Misbahuddin and Hasan M,Iqbal, 2013, Analisis data penelitian dengan Staitistik, Penerbit Bhumi Aksara, Jakarta.
19. Misbahuddin, 2016, “ Metode dan Teknik Penyusunan Laporan Penelitian, Penerbit BP Maccasar Univesity State (UNM).