

Article

Equal Distribution of National Income through the Concept of Green Economy: an Exploratory Studies

Ardy Firman Syah 

National Research and Innovation Agency, DKI Jakarta, Indonesia

Corresponding author: ardyfirmsyah24@gmail.com

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ABSTRACT

The initiation of national economic growth gives the government a focus on handling economy equally in both rural and urban areas. The considerations that make the economy must be sustainable among others which the current generation who enjoys goods and services produced from natural resources and the environment has a moral obligation to leave the services of these natural resources for future generations. The aim of this research is initiated to promote equitable economic growth through the conservation of natural resources that can be used sustainably from each generation. The approach used in this research is qualitative with exploratory study method. The analysis technique used is literature search and case analysis related to the entity of equal distribution of national income and the green economy concept. The results of this study indicate that there are seven strategic steps and green economy using macro-regional economic indicators namely genuine saving to monitoring the distribution of national income. This result is to describe concepts of green economy, green growth and green development are basically intended to operationalize the linkages of economic, social and environmental pillars in the context of sustainable development.

Keywords: Economic Growth, Green Economy, Equal Distribution, National Income, Natural Resources

JEL Classification: E22, O15

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INTRODUCTION

Economic inequality or income distribution inequality is a paradigm that occurs in the midst of the world community in both developed and

developing countries and is an important issue to be studied and various efforts are needed from the government in making policies to improve

community economic development, as well as increase people's standard of living through various kinds of efforts in order to increase the distribution of income from various existing aspects.

Economic growth reflects the development of regional economic activity which is marked by the movement of the regional economy through production, consumption and investment activities that have an impact on employment and increasing people's welfare. Economic growth will be more meaningful if it can be enjoyed by all levels of society equally, which is often followed by changes in the income structure, especially for developing countries. Therefore, every country seeks to increase economic development to reduce poverty and reduce unemployment. Two major problems that are generally faced by developing countries including Indonesia are economic disparities or inequality in income distribution between high-income groups and low-income groups. Economic inequality or inequality in income distribution between community groups or the number of people below the poverty line (Tulus, 2001). The problem of income inequality is not only faced by developing countries, but even developed countries cannot be separated from this problem. The difference lies in the proportion or size of the level of inequality that occurs, as well as the level of difficulty in overcoming it which is influenced by the area and population.

Income distribution is the distribution of income in society. In the production process, the owners of the factors of production will receive compensation for the factors of production contributed in the production process. This income distribution process will occur in a cycle (turnover)

of consumers who must pay the price of goods. However, at other times it will be a provider of capital factors, labor, natural resources, or skill factors so that, at certain times it will receive a share of income and at other times will pay the price of goods. In the production process, each provider of production factors will receive compensation for services as follows: (1) Owners of natural resources in the form of land will receive land rent, (2) Owners of labor factors will receive work wages, (3) Owners of capital will receive capital interest, and (4) Entrepreneur will receive operating profit.

In developing countries, there are many problems that are often found, one of which is inequality in the distribution of income. Where the problem of income distribution measures the distance difference in income between one individual and another individual. If this imbalance continues to occur between one group and another, then there will be a problem where economic growth is uneven. This inequality in the distribution of income is called inequality, and in measuring this inequality the Gini coefficient (Gini Ratio) measures how big the gap in the distribution of income between residents is, in Indonesia inequality is still a problem that is often faced. The Gini index is a measure of aggregate inequality whose numbers range from zero (perfect equality) to one (perfect inequality). where inequality refers to how far the income is distributed evenly among the people (Damanik and Mugabe, 2018).

The track record of data on national economic growth and inequality in income distribution can be seen through the Gini index per province, which is presented in the following table (BPS, 2022).

Table 1.
Gini Ratio Based on Province and Regional

Province	Urban				Rural				Urban+Rural			
	2020		2021		2020		2021		2020		2021	
	Smt 1	Smt 2	Smt 1	Smt 2	Smt 1	Smt 2	Smt 1	Smt 2	Smt 1	Smt 2	Smt 1	Smt 2
ACEH	0.360	0.355	0.362	0.357	0.281	0.283	0.275	0.282	0.323	0.319	0.324	0.323
SUMUT	0.338	0.336	0.344	0.339	0.255	0.258	0.250	0.257	0.316	0.314	0.314	0.313
SUMBAR	0.323	0.320	0.329	0.327	0.257	0.256	0.254	0.252	0.305	0.301	0.306	0.300
RIAU	0.363	0.359	0.367	0.369	0.273	0.274	0.279	0.276	0.329	0.321	0.326	0.327
JAMBI	0.351	0.346	0.354	0.347	0.287	0.289	0.288	0.284	0.320	0.316	0.321	0.315
SUMSEL	0.358	0.352	0.360	0.363	0.308	0.310	0.315	0.314	0.339	0.338	0.341	0.340
BENGKULU	0.378	0.381	0.384	0.381	0.275	0.274	0.264	0.258	0.334	0.323	0.326	0.321
LAMPUNG	0.345	0.342	0.346	0.342	0.298	0.295	0.288	0.288	0.327	0.320	0.323	0.314
KEP. BABEL	0.276	0.271	0.265	0.259	0.220	0.229	0.221	0.215	0.262	0.257	0.256	0.247
KEP. RIAU	0.337	0.335	0.341	0.337	0.260	0.260	0.256	0.253	0.339	0.334	0.343	0.339
DKI JAKARTA	0.399	0.400	0.409	0.411	-	-	-	-	0.399	0.400	0.409	0.411
JABAR	0.412	0.409	0.423	0.417	0.325	0.326	0.321	0.324	0.403	0.398	0.412	0.406
JATENG	0.385	0.386	0.398	0.393	0.319	0.318	0.325	0.324	0.362	0.359	0.372	0.368
DIY	0.436	0.439	0.448	0.443	0.328	0.329	0.334	0.325	0.434	0.437	0.441	0.436
JATIM	0.377	0.373	0.387	0.379	0.316	0.318	0.324	0.319	0.366	0.364	0.374	0.364
BANTEN	0.360	0.361	0.369	0.365	0.296	0.296	0.280	0.278	0.363	0.365	0.365	0.363
BALI	0.372	0.378	0.387	0.379	0.298	0.304	0.301	0.302	0.369	0.369	0.378	0.375
NTB	0.403	0.405	0.413	0.420	0.337	0.336	0.332	0.331	0.376	0.386	0.381	0.384
NTT	0.334	0.329	0.327	0.322	0.310	0.311	0.311	0.306	0.354	0.356	0.346	0.339
KALBAR	0.335	0.329	0.341	0.337	0.272	0.273	0.267	0.268	0.317	0.325	0.313	0.315
KALTENG	0.361	0.357	0.353	0.356	0.289	0.290	0.292	0.284	0.329	0.320	0.323	0.320
KALSEL	0.355	0.343	0.359	0.352	0.276	0.277	0.265	0.257	0.332	0.351	0.330	0.325
KALTIM	0.333	0.330	0.339	0.337	0.286	0.286	0.288	0.281	0.328	0.335	0.334	0.331
KALUT	0.289	0.285	0.289	0.284	0.279	0.278	0.272	0.264	0.292	0.300	0.292	0.285
SULUT	0.371	0.367	0.365	0.359	0.344	0.346	0.352	0.347	0.370	0.368	0.365	0.359
SULTENG	0.334	0.334	0.343	0.351	0.295	0.295	0.279	0.278	0.326	0.321	0.316	0.326
SULSEL	0.384	0.384	0.392	0.387	0.356	0.352	0.338	0.334	0.389	0.382	0.382	0.377
SULTRA	0.404	0.403	0.411	0.402	0.347	0.348	0.347	0.353	0.389	0.388	0.390	0.394
GORONTALO	0.393	0.390	0.398	0.407	0.392	0.391	0.397	0.390	0.408	0.406	0.408	0.409
SULBAR	0.436	0.437	0.446	0.451	0.321	0.321	0.321	0.326	0.364	0.356	0.356	0.366
MALUKU	0.295	0.292	0.301	0.302	0.284	0.285	0.258	0.250	0.318	0.326	0.314	0.316
MALUT	0.297	0.294	0.298	0.295	0.266	0.271	0.265	0.256	0.308	0.290	0.300	0.278
PAPUA BAR	0.320	0.316	0.322	0.313	0.414	0.412	0.407	0.399	0.382	0.376	0.380	0.374
PAPUA	0.296	0.291	0.301	0.307	0.414	0.416	0.422	0.419	0.392	0.395	0.397	0.396
INDONESIA	0.393	0.399	0.401	0.398	0.317	0.319	0.315	0.314	0.381	0.385	0.384	0.381

Source: (bps.go.id, 2022)

Based on table 1 above, it can be shown that in March 2021, the level of inequality in the expenditure of the Indonesian population as measured by the Gini Ratio is 0.384. This figure decreased by 0.001 points when compared to the September 2020 Gini Ratio of 0.385 and an increase of 0.003 points compared to the March 2020 Gini Ratio of 0.381. Based on the World Bank's measure of inequality, the distribution of spending in the

bottom 40 percent is 17.76 percent. This explicitly shows that the population's expenditure in March 2021 (Semester 1 2021) is in the category of low inequality level. If broken down by region, in urban areas the figure was recorded at 16.81 percent, which means that it belongs to the category of moderate inequality. Meanwhile, for rural areas, the figure was recorded at 20.68 percent, which

means that it belongs to the category of low inequality.

The initiation of national economic growth gives the government a focus on handling this matter, especially economic growth is not only seen from the welfare side but needs to be studied through the aspect of equity. This is the essential substance in taking strategic steps by the government in developing the economy equally in both rural and urban areas. The principle of equal distribution of national income is also one of the indicators of sustainable economic development in the national scope. The considerations that make the economy must be sustainable according to Permen et al. in Fauzi (2004) among others, the first because it involves moral reasons. The current generation who enjoys goods and services produced from natural resources and the environment has a moral obligation to leave the services of these natural resources for future generations. The moral obligation includes not extracting natural resources that damage the environment thereby depriving future generations of opportunities to enjoy the same services. Second, concerning ecological reasons, where biodiversity, for example, has a very high ecological value so that economic activity should not be directed at things that threaten the ecological function. Third, concerning economic reasons, which from an economic point of view are still being debated because it is not known whether or not economic activity has met the sustainability criteria. The economic dimension of sustainability itself is quite complex, so that often the aspect of sustainability from an economic perspective is only limited to measuring intergenerational welfare maximization. Related to that statement, according to result of study Makmun (2011) explain of implementation of a directed and comprehensive green economy in Indonesia must be supported by government policies to ensure the success of its

implementation, among others through the application of green budgeting to manage government finances and the application of green procurement in public policies.

Based on the perceptions and phenomena from the explanation above, it is necessary to conduct an explanatory research of the entity of comprehensive distribution of national income which is pursued through the concept of a green economy. This effort was initiated to promote equitable economic growth through the conservation of natural resources that can be used sustainably from each generation.

Based on explanation background of the study, can be concluded the question of this resserach is: How to describe for comprehensive step to implemented of equitable distribution of economic income in rural and urban areas through the concept of a green economy?

LITERATURE REVIEW

Economic Growth

According to Hasyim (2016) economic growth can be interpreted as a process of changing the economic conditions of a country continuously towards a better condition as long as certain period. While according to Lincolin (1999) growth economy is defined as an increase in gross domestic product (GDP)/gross national product (GNP) regardless of whether the increase is more greater or less than the population growth rate, or whether changes in the economic structure occur or not. There are three basic components needed in the economic growth of a nation; (1) Continuously increasing inventory of goods; (2) advanced technology as the main factor that determines the degree of growth in providing a variety of goods to the population; (3) the widespread and efficient use of technology requires adjustments in the institutional and ideological fields, so that the innovations produced by human science and

technology can be used appropriately (Hasyim, 2016). Different things described by Sadono (2001) economic growth means the development of activities in the economy which causes the goods and services produced in the community to increase and the prosperity of the community to increase. The problem of economic growth can be viewed as a macroeconomic problem in the long run from one period to another. In the assumptions of neo-classical theory, the determinants of economic growth are only divided into capital goods and labor (Rahardja et al., 2006). Furthermore, based on the theory of sector economic growth which was developed based on the Clark Fisher hypothesis, it states that an increase in per capita income will be accompanied by a decrease in the proportion of resources used in the agricultural sector (primary sector) and an increase in the manufacturing industry sector (the secondary sector) and then in the service industry (tertiary sector). The rate of growth in a changing sector (sector lift). Regarded as the main determinant of the development of a region (Adisasmita, 2005).

Based on the quote above, it can be synthesized that economic growth is a process of continuous transformation of a country's economic condition which can be measured through GDP/GNP over a certain period which aims to improve the welfare of the wider community. Economic growth can also be measured through the value of overall GDP or GRDP in all regions of a country. According to Tarigan in Irawan (2013) Gross Regional Domestic Product is the total gross value added arising from all economic sectors in the region, what is meant by gross value added is the production value (output) minus the intermediate cost. income factor components (wages, salaries, interest, land rent, and profits), depreciation, and net indirect taxes. GRDP essentially describes the level of economic activity of a region, whether carried out by the community, private sector, or

government in a certain period so that GRDP can indirectly be used as an indicator in assessing the overall results of sustainable regional economic development activities (Soebagiyo, 2007).

Income Inequality

Income inequality is the difference in income earned by the community, so that there is a striking difference in people's income. In other words, income inequality is the difference in the amount of income earned by the community so that it results in a wider income difference between the community. This results in the rich getting richer and the poor getting poorer (Putri et al., 2015).

In line with that, according to Isnawati (2011) the relationship between income inequality and economic growth can be explained by the Kuznets Hypothesis. The hypothesis begins with economic growth, which initially rises at a low level of income inequality until it reaches a certain level of growth which then declines. The Kuznets hypothesis when described will look like Figure 1 as follows:

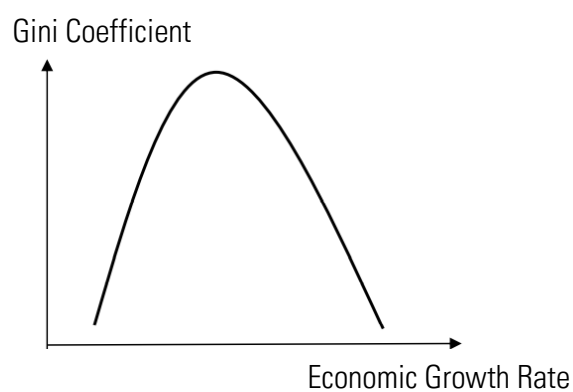


Figure 1.

Inverted U-Curve Kuznets

Gini Ratio is a statistical technique in measuring income inequality. The number on the Gini Ratio as an indicator of income inequality has a value range between 0 (zero) and 1 (one). The Gini Ratio is equal to 0 (zero) indicating that the inequality is low (perfect equality) while the number 1 (one) indicates that the distribution of inequality is high (perfect inequality). According to

Todaro in Heryanah (2017) describes the size of inequality in the table as follows:

Table 2.
Gini Ratio Based on Province and Regional

Income Distribution	Inequality
Gini Ratio = 0,50-0,70	High
Gini Ratio = 0,36-0,49	Moderate
Gini Ratio = 0,20-0,35	Low

Source: Heryanah (2017)

Research by Huang (2015) states that the relationship between the economy and income inequality can be positive or negative. In low-income developing countries, there is a negative relationship between income inequality and economic growth. On the other hand, in high-income developing countries, there is a positive relationship between inequality and economic growth (Anwar, 2017).

So it can be concluded that income inequality is a problem of the gap in income between communities or regions that have developed and regions that are still lagging behind. The wider the distance between incomes, the greater the variation in the distribution of income, which in turn will be the cause of income inequality. This is unavoidable due to the trickle down effect of the output perfectly. The results of the national output are only enjoyed by a few people with certain aims and objectives (Damanik and Mugabe, 2018).

Green Economy

Green Economy is an economic idea that aims to improve the welfare and social equality of the community, while significantly reducing the risk of environmental damage. This green economy can also be interpreted as an economy that is low or does not produce carbon dioxide emissions to the environment, saves natural resources and is socially equitable (Andy, 2014).

Following up on this, according to Yasa (2010), economic development will develop rapidly by adopting a green economic system or green growth.

This green growth economic system is oriented towards the relationship between natural ecosystems and human resources based on knowledge and technology. The green economy does not rely on fossil fuels. With this, the existence of a green economy is useful for minimizing the impact of human economic activities on climate change and global warming (Putthiwanit, 2016).

Regard to the expert opinion above, it can be synthesized that the Green Economy is an alternative development vision that can encourage growth and improve the quality of human life in sustainable ways with environmental preservation which is the main concern in economic growth. The need for identification, internalization, and optimization of inclusive economic income distribution through efforts to implement a green economy as a catalyst is a tendentious phenomenon, especially after the establishment of a government program through the Indonesia Green Growth Program which was launched by Bappenas as a symbol of the implementation of a green economy in Indonesia.

METHODOLOGY

The approach used in this research is qualitative with exploratory study method. Explorative Research is a study by conducting a search, especially in consolidating concepts that will be used in a wider scope of research with a larger conceptual reach. In conducting exploration, mature concepts become goals in research and a wider conceptual reach (Yusuf, 2017). The meaning of exploratory research is research that is carried out for problems that have not been clearly defined. This becomes relevant to the theme of the problem in this study, where economic equity occurs and the implications of environmental damage that are exploited due to the non-optimal concept of a green economy in Indonesia. The analysis technique used

is literature search and case analysis related to the entity of equal distribution of national income and the green economy concept. The type of data in this research use secondary data from bps and other literature to conduct result of this research.

RESULT AND DISCUSSION

For an effective Green Economy transition to take place, it is important that the Government of Indonesia has the right macro indicators to help measure progress (Sukhdev et al., 2015). The four goals or indicators are pro-growth, pro-job, pro-poor, pro-environment. Through this objective, it was found that macroeconomic indicators (such as GDP growth, per capita GDP growth) are not suitable for measuring sustainable development. What Indonesia needs are three new indicators, namely "Inclusive Wealth" and "Green GDP", "Decent Green Jobs" and "GDP of the Rural Poor" to build a pathway to sustainable, equitable and economically competitive development. These three indicators are calculated by I-GEM to help Indonesia build a development strategy and incorporate changes into relevant national and sub-regional policies, which reflect the social needs, environment and real conditions of all provinces in Indonesia. Therefore, the three indicators enable the government to make strategies and plans based on existing regional strengths, and also allow the provincial government to assess the impact of the planned intervention.

There are several strategic steps that have been implemented comprehensively in various regions by the government as reflected in the following Undang-Undang Republik Indonesia Nomor 17 Tahun 2007 Tentang Rencana Pembangunan Jangka Panjang Nasional Tahun 2005-2025 which in realizing the vision is pursued through eight national development missions. Environmental issues, including a green economy, are part of the vision (iv) of Prosperous Indonesia

and the mission of (vi) Realizing a beautiful and sustainable Indonesia. The mission of realizing a beautiful and sustainable Indonesia is to improve the management of development implementation that can maintain a balance between the use, sustainability, existence, and use of natural resources and the environment while maintaining the function, carrying capacity, and comfort in life in the present and the future, through harmonious use of space between uses for settlements, socio-economic activities, and conservation efforts; increase the economic utilization of natural resources and the environment in a sustainable manner; improve the management of natural resources and the environment to support the quality of life; provide the beauty and comfort of life; and increasing the maintenance and utilization of biodiversity as the basic capital for development. This represents that the green economy concept is firmly initiated by the government in the focus of long-term development. As a follow-up to this, the Indonesian government was explicitly involved in signing the Agreement for the Establishment of a Global Green Growth Institute in Seoul, South Korea. Then in finalizing the strategic steps for implementing green growth internally, the Indonesian government set Peraturan Presiden Republik Indonesia Nomor 82 Tahun 2014 Tentang Pengesahan Agreement On The Establishment Of The Global Green Growth Institute (Persetujuan Pembentukan Lembaga Global Pertumbuhan Hijau) where this action is the action of the Indonesian government which is pro-actively involved with the countries involved in socializing and implementing the green economy concept.

The government's role is also stated through the green growth program launched through Bapenas by having 5 long-term targets, including; sustainable economic growth, inclusive and equitable growth, socio-economic and environmental resilience, provision of healthy and

productive services to ecosystems, reduction of greenhouse gas emissions. Relevant to this, from the perspective of the state apparatus, each agency is required to implement green growth training aimed at realizing the competence of the state civil apparatus resources in formulating and implementing policies that mainstream green economic growth as well as formulating strategies for implementing pro-green policies that are integrated with the program of each agency in a comprehensive manner. sustainable and inclusive.

The concepts of green economy, green growth and green development are basically intended to operationalize the linkages of economic, social and environmental pillars in the context of sustainable development. Inclusive green growth is the path to sustainable development. Sustainable development provides the context for green growth. Green growth is a subset or part of sustainable development. The scope of green growth is narrower that covers the operational policy agenda so that it can help to achieve concrete and measurable progress related to the economy and the environment (Development, 2011).

The definition of economic instruments according to the OECD is a form of fiscal incentives and disincentives or other types, and incorporates environmental costs and benefits into household and company budgets (Yusuf, 2012). The purpose of using economic instruments is to encourage efficient and environmentally friendly production and consumption through full cost-pricing. Among the economic instruments included are sewage taxes, or fees on pollutants and waste, as well as deposit-refund systems and pollution trade permits. Anderson in Yusuf (2012) mentions some examples of economic instruments that can be applied in the development of a green economy. These economic instruments include pollution/pollution taxes, input-output taxes, subsidies for environmentally friendly activities, and withdrawal of subsidies for

activities that harm the environment. Meanwhile, the implementation of green economy measures by the government is not just selecting policy instruments from a list of green economy policy measures, but also looking back at the effectiveness of the implementation of these instruments. In this regard, economic instruments that can be applied in Indonesia include:

1. Eliminate or reduce subsidies that harm the environment, among others through fuel subsidies, electricity subsidies and fertilizer subsidies
2. Payment for environmental services (PES): global PES (REDD+) and local PES
3. Inter-regional fiscal transfer
4. Engineering energy-pricing mechanisms: can be potentially effective in achieving emission reduction targets. This has the potential if the contribution of the energy sector is a reduction of 14% relative to the baseline, almost half of the target can be achieved only through the elimination of subsidies that are not conducive to the efficiency of energy use. Elimination of fuel and electricity subsidies has the potential to contribute almost half of the target or approx. 6-7%. Coupled with the imposition of indirect taxes in the carbon-pricing framework, the 14% target can be met.
5. Policy Mix: "removal of energy subsidies plus imposition of carbon prices/taxes.
6. The mechanism for recycling the budget surplus: through compensating poor households and increasing production activities through reducing various indirect taxes. This has the potential to be quite effective in mitigating the impact of distribution and the impact of reducing employment opportunities in the short term.
7. The development of the green market can also be utilized by developing instruments such as

carbon finance, green stimulus funds. In an increasingly carbon-constrained world, there is likely to be an expansion of both private markets and public financial institutions to support climate change mitigation in developing countries. If the placement mechanism is right, internationally and nationally, Indonesia could be the main recipient of the financing. Indonesia currently accounts for less than 2% of the Clean Development Mechanism (CDM) market.

In addition, there are instruments for monitoring the distribution of economic income through the green economy using macro-regional economic indicators, namely genuine saving. Genuine saving can be calculated by subtracting national/conventional savings from the depreciation/liquidation value of all types of capital, be it man-made capital and natural resource capital. The results of the calculation of the Genuine Savings Rate per province in Indonesia can be categorized into three regional classifications, namely unsustainable, marginally sustainable, and sustainable. Based on the Gini ratio table, it can be compared and classified based on the Gini index of each province which is divided by rural and urban zones that all provinces in Papua, South Sulawesi, East Kalimantan, South Kalimantan, most provinces on Sumatra Island and NTB fall into the regional category. the unsustainable. Meanwhile, the provinces that fall into the marginally sustainable category are North Sumatra, West Sumatra, Lampung, Banten, West Java, Central Java, East Java, Bali, Central Kalimantan, Gorontalo, Central Sulawesi, Southeast Sulawesi, and Maluku. There are only 4 provinces that are included in the sustainable category, namely the Province of Yogyakarta, East Nusa Tenggara, North Sulawesi, and West Kalimantan.

The need for the participation of the central and regional governments as well as the community in implementing these strategic steps on an ongoing basis. Economic equity that occurs in several regions with the Gini index showing extreme levels of inequality is one of the focuses of local governments in determining decision making in implementing the green economy. This also reduces the increase in regional economic growth by continuing to preserve the environment of the area so as to provide the benefits of natural resources that are distributed to the next generation.

CONCLUSION AND RECOMMENDATION

The existence of the phenomenon of economic growth that is less than ideal with indicators of inequality in regional income gives a picture of the government in completing the uneven economic improvement. This is shown again regarding the condition of natural resources which is getting worse in their use as raw and processed materials for each business actor in several regions. While the reference to the long-term development vision stated in the Undang-Undang Republik Indonesia Nomor 17 Tahun 2007 Tentang Rencana Pembangunan Jangka Panjang Nasional Tahun 2005-2025 is to achieve an independent, advanced, just and prosperous Indonesia. In an effort to achieve this long-term vision. This represents that the vision and mission of the government's long-term plan have not been achieved optimally. Indonesia together with the entire world community is currently the Indonesian Government's policy for achieving sustainable development is carried out through 4 (four) track strategies, namely pro-growth, pro-job, pro-environment and pro-environment development. This shows that the pillars of sustainable development receive parallel and synergistic attention with other development strategies. The

direction of future development policies will place more emphasis on efficient use of natural resources, minimize environmental damage, reduce GHG emissions, develop and implement clean products and technologies, or currently more often referred to as green economy development. , namely a decrease in the quality of natural resources and environmental capacity which is getting higher intensity. This implies the need for more planned, integrated, decentralized, and participatory development management by considering various development issues, including mainstreaming the concept of sustainable development. In addition, good environmental

governance, accompanied by increasing public awareness and behavior, is an important key in the implementation of equitable distribution of economic income in rural and urban areas through the concept of a green economy.

The limitation described in this study is the implementation of equal distribution of national income through the concept of a green economy. There will be opportunities for problems that can be followed up for future research on inequality in national income through monetary policy instruments by prioritizing reforms on the alignment of issues with actual problems faced by Indonesia regarding the distribution of national income.

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