

## DETERMINANTS OF INEQUALITY IN ECONOMIC DEVELOPMENT BETWEEN DISTRICT/CITY IN WEST JAVA PROVINCE 2017-2019

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### Abstract

**Abstract:** One of the ideals of a country is to create welfare for its citizens. For its welfare is the construction process. The development process, it requires the availability of natural resources and the condition of supportive human resources. These two aspects are very influential in development. However, the fact is that each region does not necessarily have this, or its conditions differ from other regions. So this triggers an increase or decrease in the level of development inequality. This study aims to analyze what factors influence the level of inequality in districts/cities in West Java in 2017-2019.

This research is quantitative research with panel data sourced from the Central Statistics Agency of West Java Province with an annual span from 2017-2019 which includes 18 districts and 9 cities. The method used is a linear panel data regression with a fixed effect model. The dependent variable used is development inequality as measured by the Williamson index. Meanwhile, the dependent variable includes original local government revenue, agglomeration, mean years school, life expectancy, and labor force. The research results indicate that the dependent variable simultaneously affects development inequality. On a partial basis, the variables of local revenue, agglomeration have a positive and significant effect on inequality in economic development, while the variable life expectancy has a negative and significant effect on inequality in economic development. Meanwhile, the variables for the mean years school and the labor force have a positive but insignificant effect on the inequality of economic development between districts/cities in East Java Province.

**Keywords:** Inequality of Economic Development, Original Local Government Revenue, Agglomeration, Mean Years School, Life Expectancy, Labor Force.



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## Introduction

Every country has the same goal to create welfare for its citizens, one way to improve people's welfare is through development. Development is very important in a country. This is because there are changes that accompany human life in various aspects, both changes due to technological advances and advances in science. Therefore, development is not only carried out in the economic sector but also covers various aspects. According to Todaro & Smith (2015), it is explained that development is a physical reality as well as the determination of society to strive as hard as possible through a combination of social, economic, and institutional processes to achieve a better life. Development can increase per capita income. So that this becomes the background for every country to carry out development, especially for developing countries that want to transform into a developed country. The success of development can be seen from various things, such as economic growth, high per capita income, and low levels of poverty.

Indonesia is one of the countries that have abundant natural resources. Comparable to its area, Indonesia also has a very large population with the fourth-largest number in the world. Of several provinces in Indonesia, West Java Province is the province that has the most population in Indonesia. The following is data on the population of Indonesia in 2019:



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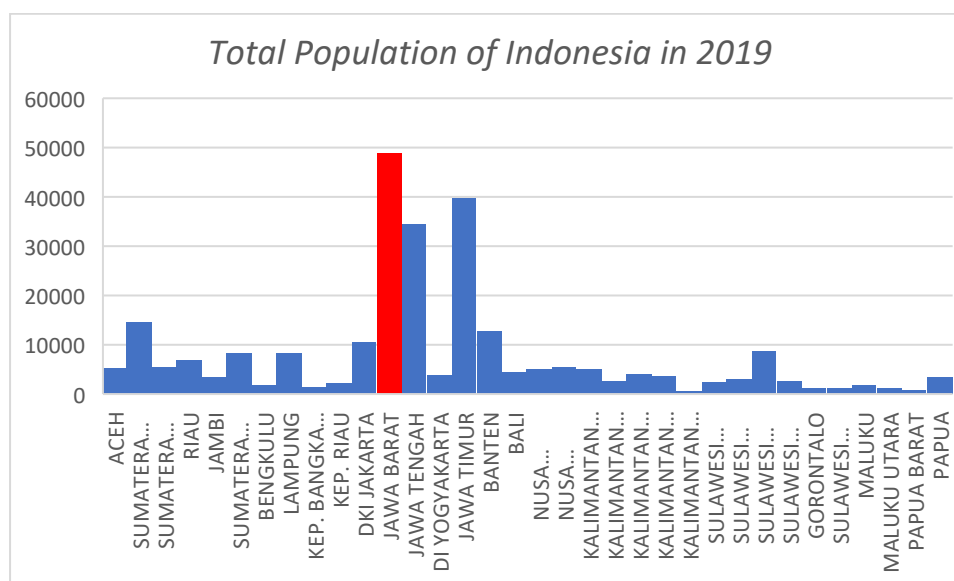


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**Figure 1. Total Population of Indonesia 2019**



*Source: Badan Pusat Statistik, processed data*

Based on the population data above, West Java Province has the largest population in Indonesia with a percentage of 18.37 percent of the total population in Indonesia in 2019. So that this allows an advantage in the number of human resources compared to other provinces in the development process. However, these advantages could actually become obstacles to development. This happens when the potential of human resources is not used optimally. Therefore, because this study discusses the effect of the condition of human resources from several fields, the researchers made West Java Province the object of this research.

As we know, development is influenced by many things. According to Rustan (2009) development is influenced by two factors. First, economic factors include natural resources and capital accumulation. Both of these are basic needs for every individual. So that the development process will be supported if a country or region has sufficient natural resources and capital. The more natural resources and capital the state owns, the more advanced the development will be. Other economic factors are the organization, technological progress, division of labor, and scale of production. In economic factors, income is the benchmark for



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successful development. If the income of a region or country has increased, this development can be said to be successful.

Second, development is influenced by non-economic factors which include institutions and culture, human resources, political and administrative factors. human resources are one of the important factors in development because human resources will be the subject in carrying out and regulating the direction of regional development. In a study conducted by Hartono (2008), the labor force ratio has a significant positive effect on the level of development inequality as measured by the Williamson index. An increase in the ratio of the labor force accompanied by the addition of new job opportunities will be followed by a reduction in the level of inequality in the region. This is due to the increase in people's income due to the absorption of this labor force. In addition to the number of human resources needed, human resources also need to be balanced with good quality. Regions that have good quality human resources will develop the condition of those regions. The quality of human resources can be seen in various things. Such as education, health, and spiritual.

Not only individuals themselves can improve their quality, but the government also carries out several policies to encourage the improvement of the quality of human resources for its people. This is because competition for the quality of human resources is not only in one province or one country, but also competes with other countries. One of the programs launched by the government in the education sector is the policy of implementing compulsory education. The government has also prepared tuition assistance for underprivileged students to continue studying.

In the Government Regulation of the Republic of Indonesia number 47 of 2008 concerning Compulsory Education Chapter IV, article 7 states that the provisions regarding the implementation of the compulsory education program regulated by the regional government as referred to in paragraph (5) include the authority to impose administrative sanctions on Indonesian citizens who have children aged 7 (seven) to 15 (fifteen) years who do not participate in the compulsory education program. From this regulation, the government hopes



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that the state has quality human resources. Education is one of the efforts to improve the quality of human resources which emphasizes the formation of basic quality (Latif, 1996).

If we look at the condition of the mean years school at the Central Statistics Agency of West Java Province from 2010-2019, the mean years school for residents of West Java Province has increased. The population in West Java Province has an average of 7.4 years of education. This condition continues to increase until 2019, it is noted that the average length of school for residents of West Java Province is 8.37 years. It can be said that the quality of human resources for the population of West Java has increased.

In research conducted by Posumah (2015) with the object of research in Southeast Minahasa, it is explained that education can reduce investment. This also applies to the opposite, if the quality of education in human resources increases, it can also increase investment. The quality of individual education will encourage individual creativity in various ways. One of them is in production activities. They will do various ways to increase productivity with the ultimate goal of increasing revenue. However, if the production capacity of human resources in each region is different, then this will also become an obstacle to development. Because production activities will be focused on certain areas only. So that it will be clear the difference in the conditions of a developed region with an underdeveloped region.

Apart from education, the quality of human resources lies in their health condition. Humans will work more productively if the individual's health condition is maintained. The quality of individual health is said to be getting better if they have a long life. In Human Capital theory, it is explained that in addition to an education which is the main basis, human capital can also be measured by the health condition of human resources. This is because if the health condition of human resources is disturbed, it will not increase productivity or actually decrease productivity. The Central Bureau of Statistics surveys to determine the quality of the individual's health, which is called Life Expectancy Data (AHH). Life expectancy describes how long the average life expectancy of a person in the area is.



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Research on the role of health in achieving state goals has also been studied by Muhlisani (2017) entitled *The Effect of the Human Development Index on Economic Growth in Enrekanga Regency*. This study explains that life expectancy has a negative and significant effect on economic growth in Enrekang Regency. This means that when the life expectancy of the people increases, it will affect the decline in economic growth. The opposite also applies when the life expectancy of the people in a country has decreased, then this will have an impact on decreasing the rate of economic growth.

Muhlisani's research results illustrate that the condition of the increasing age of the population in the Enrekang Regency which is the object of this research is not matched by the level of productivity of the community or people who have a long life expectancy, which is a burden in increasing economic growth. If the high average life expectancy of the population becomes a burden, the burden will increase if the population of the area is high. Therefore the population has the possibility to influence the development process.

If we look at West Java Province which has the highest number of human resources in Indonesia, then of course it becomes a challenge in development. The development output is not only limited to high per capita income, development inequality is, of course, a very possible thing to happen. Inequality in economic development can be measured by the Williamson Index. Williamson index is used to determine the extent of the level of inequality between regions. In terms of development inequality data, West Java Province is the province with the second-highest inequality. The following is data on the level of development inequality in Java:

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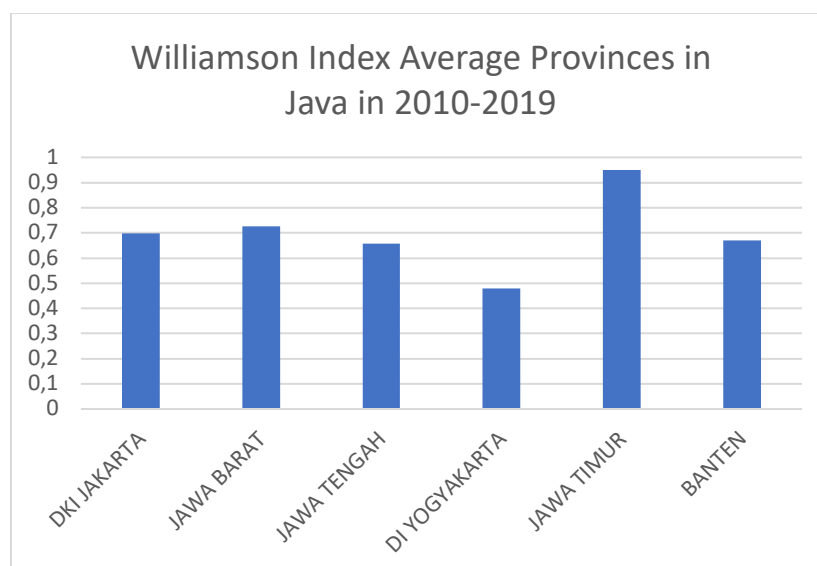
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**Figure 2. Average Inequality of Economic Development in Java Island**

*Source: Badan Pusat Statistik, processed data*

West Java Province belongs to the category of provinces that have a high level of development inequality because the Williamson Index value is  $> 0.7$ . However, when viewed from the annual data, the level of development inequality in West Java Province has decreased. A significant decrease occurred in 2018 from 0.7 to 0.68. And in 2019 it also experienced a decline, although it was not significant by 0.01 (Bappeda Jabar, 2020). Therefore, the researchers took the 2017-2019 timeframe in this study. Based on the description above, the purpose of this study is to analyze the effect of Original Local Government Revenue (PAD), agglomeration, Mean years school (RLS), Life Expectancy (AHH), and the labor force on inequality in economic development in West Java Province.

### Research Method

In this study, the authors used secondary data consisting of 18 districts and 9 cities in West Java Province from 2017-2019. The secondary data is the result of processed data from certain institutions such as the Central Statistics Agency of West Java Province in the form of



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data on local revenue, agglomeration, school enrollment rates, life expectancy, and the labor force.

### Analysis of Economic Development Inequality

Inequality in economic development is the difference in economic development between one region and another vertically and horizontally which causes disparity or inequality in development. There are many types of calculations used in calculating development inequality, and in this study, the Williamson index is a measuring tool in calculating the inequality of economic development (Sjafrizal, 2008).

$$IW = \frac{\sqrt{\sum_{i=1}^n (Y_i - Y)^2 f_i / n}}{Y}$$

Explanation:

- IW : Williamson Index
- $Y_i$  : GDRP per capita of Regencies/cities in West Java Province
- $Y$  : GDRP per capita average West Java Province
- $f_i$  : total population of regencies/cities in West Java Province
- $n$  : total population of West Java Province

Williamson index is between  $0 < IW < 1$ . Inequality in economic development is higher if the Williamson index value approaches 1 and vice versa when it approaches zero, then development inequality is still low.

### Inequality Theories of Economic Development

#### Kuznet Theory (Inverted U Curve)

In his book Kuncoro (2006) entitled Development Economics: Theory, Problems, and Policy, Simon Kuznets hypothesize the existence of an inverted U curve which states that at the beginning when development starts in poor countries, the income distribution will be increasingly uneven. and high levels of poverty. However, when the poor country is more advanced, the inequality of income distribution and poverty will decrease.



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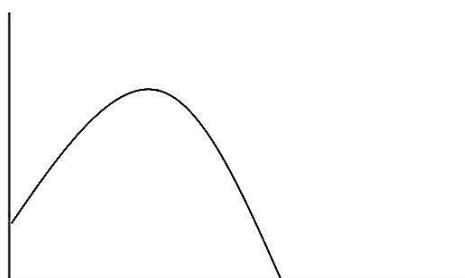
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**Figure 3. Inverted U Curve Income per capita**

Simon Kuznets found an inverted U-shaped relationship between the income gap and the level of income per capita. This result is interpreted as the evolution of income distribution in the process of transition from a rural (rural) economy to an urban (urban) economy or an industrial economy (Todaro, 2000). Income distribution disparities tend to increase during the early stages of development, but in later stages of development, the income distribution will gradually decline. Kuznets further explained that the initial process of economic development will lead to inequality of income distribution. However, at a later stage of economic development, the inequality of income distribution will decrease.

### **Myrdal Theory**

Gunnar Myrdal argues that economic development produces circular cumulative causation that will make the people around the area where economic activity is concentrated will benefit more, while the people around the less developed areas will be increasingly backward. This is because the backwash effect tends to get bigger and the spread effect tends to shrink. This trend will further exacerbate inequality in the region.

In his thesis, Myrdal builds the theory of backwardness and economic development on regional and international imbalances. In this theory, Myrdal uses the reverse impact and scatter impact theory. Myrdal defines the return impact as all changes that result in losses from the occurrence of economic expansion in a place caused by things outside the place in the form of the impact of migration, transfer of capital, trade, and all impacts arising from circular



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causes between factors non-economic or economic factors.

The spreading impact according to Myrdal is the impact of the development momentum that spreads centrifuges from the center of economic development to other surrounding areas. Therefore, the main cause of regional inequality is the strong reverse effect and the weak spread impact (Jhingan, 2003).

### **Human Capital Theory**

Human in human capital is a form of capital like machines and technology. Humans also have a role or responsibility in all economic activities, such as production, consumption, and transactions. As this theory develops, the concept of human capital can be defined into three. The first concept is human capital as an individual aspect. Human capital is an ability that exists in humans, such as knowledge and skills. This is made clear by Rastogi (2002) which states that human capital is knowledge, competence, attitude, health, and human characteristics. The second concept, human capital is the knowledge and skills that are obtained through various educational activities such as schools, courses, and training. Human capital is something that is obtained through the accumulation of a certain process (Alan, Altman, & Roussel, 2008). This concept assumes human capital does not come from human experience. The third concept views human capital through a production orientation perspective.

Romer (1990) states that human capital is a fundamental source of economic productivity. Human capital is also an investment made by humans to increase their productivity. Frank & Bernanke (2007) argue that human capital is a combination of education, experience, training, skills, habits, health, energy, and initiatives that affect human productivity. Schultz (1961) states that human capital is an important factor in increasing economic productivity in a country. Todaro (2000) states that human capital can be measured through the fields of education and health. Education and training can be an added value for a human being. This can be explained if the higher a person's education or the more training he has, the higher his abilities and skills will be.



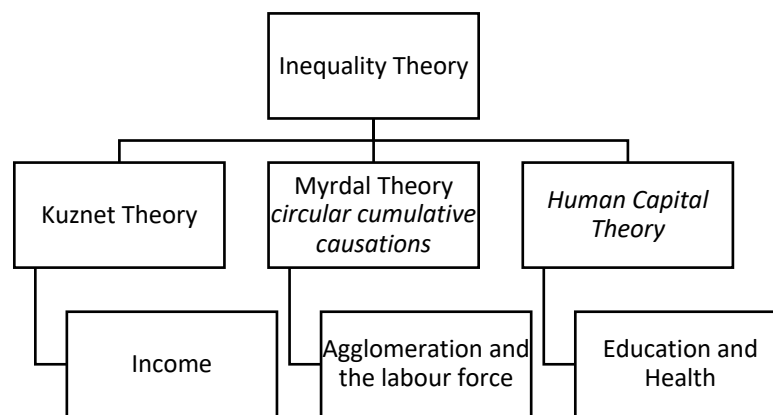
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Meanwhile, health is a field that is interrelated with education. Higher education without a healthy body will not increase productivity. Meanwhile, higher education can also affect a person's level of health awareness. Measurement of health indicators in human capital is carried out using the value of life expectancy (AHH). AHH, value is the average estimated number of years that can be taken by a person during life (Mantra, 2000). The higher the life expectancy of a person, the more quality the health indicators are. Apart from AHH, many methods can be used to measure health indicators such as infant mortality and maternal mortality.



### Inequality of Development in an Islamic Perspective

The Islamic economic system pays close attention to the interests of its people from various groups of rich and poor alike. This can be seen from the teachings of Islam which teaches to care for the poor. One form of this concern is zakat, infaq or alms. The following is one of the verses of the Al-Qur'an surah Al-Anbiya verse: 73 which commands the issuance of zakat:

وَجَعَلْنَاهُمْ أَئِمَّةً يَهْدُونَ بِأَمْرِنَا وَأَوْحَيْنَا إِلَيْهِمْ فِعْلَ الْخَيْرَاتِ وَإِقَامَ الصَّلَاةِ وَإِيتَاءَ الزَّكَاةِ وَكَانُوا لَنَا عِبْدِينَ

Meaning: "We have made them leaders who guide with Our command and We have revealed to them, they do good deeds, establish prayer, pay zakat, and only to Us they always worship.



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## Method of Analysis

### Panel Data Regression

The research method used in this research is panel data regression or a form of regression that combines cross-section data with time-series data so that we can form an econometric equation in this study as follows:

$$IW_{it} = \alpha + \beta_1 \ln(PAD)_{it} + \beta_2 \text{Agglomeration}_{it} + \beta_3 RLS_{it} + \beta_4 AHH_{it} + \beta_5 \ln(AK)_{it} + e_{it}$$

Description:

IW = Williamson Index

PAD = Original local government revenue

Agglomeration = Agglomeration or concentration of economic activity

RLS = Mean years school

AHH = Life expectancy

AK = Labour force

*e* = *error term*

*i* = *Cross Section*

*t* = *Time Series*

To see the effect of economic, agglomeration, education, health, and social conditions on development disparities between districts/cities in West Java Province, the data processing must be precise, so that data is truly accurate. The following is a series of data processing in this study:



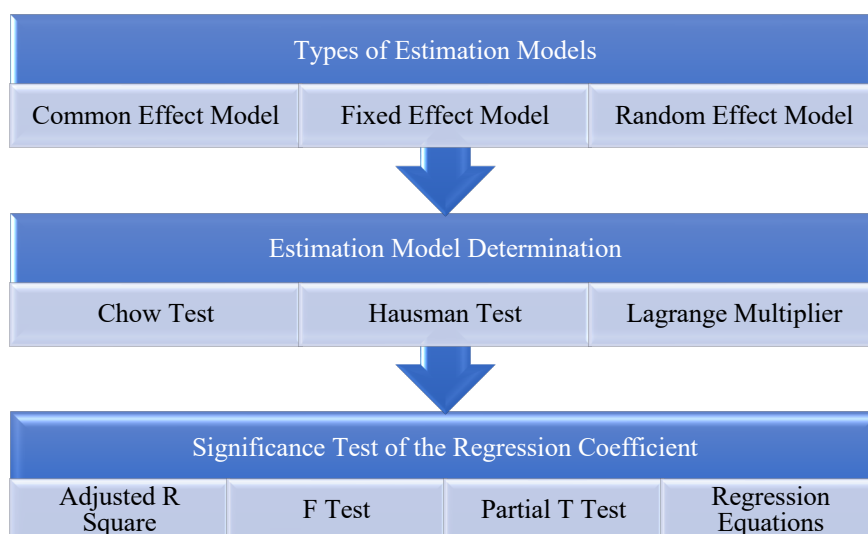
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## Research Results And Discussion

### Analysis of Economic Development Inequality

Inequality is a common aspect of economic activity. This imbalance basically arises due to differences in several things, such as natural resources and demographic differences between regions. Douglas C. Nort also analyzes the Neo-Classical theory of growth, which states that development in developing countries begins in regions with better economic conditions. Meanwhile, underdeveloped regions are not the focus of development due to limited facilities and infrastructure and the low quality of human resources (Sjafrizal, 2008).

Based on data processing by researchers sourced from the annual publication report of the West Java Central Statistics Agency, the condition of district/city development inequality in West Java Province in 2017-2019 as measured by the Williamson index as a whole is included in the low inequality category.



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**Table 1 Conditions of Inequality of District / City Economic Development in West Java Province**

Development Inequality Category	Regency / city
Low: $IW < 0,3$	Bogor Regency, Sukabumi Regency, Cianjur Regency, Bandung Regency, Garut Regency, Tasikmalaya Regency, Ciamis Regency, Kuningan Regency, Cirebon Regency, Majalengka Regency, Sumedang Regency, Indramayu Regency, Subang Regency, Purwakarta Regency, Karawang Regency, West Bandung Regency, Regency Pangandaran, Bogor City, Sukabumi City, Cirebon City, Bekasi City, Depok City, Cimahi City, Tasikmalaya City, and Banjar City
Middle: $0,3 - 0,7$	Bekasi Regency and Bandung City
High: $IW > 0,7$	-

*Source: Badan Pusat Statistik, processed data*

Bandung City is the city with the highest inequality compared to other districts/cities in West Java Province. When viewed from the ratio of Gross Domestic Regional Product (GDRP) per capita, Bandung City has the largest GDP per capita ratio. GDRP Bandung City has increased every year. For example, in 2019 the increase in GDP per capita was Rp4.884.400,00 to Rp78.808.426,00.



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## Determinants of Inequality in Economic Development in West Java Province

In estimating the model, it is necessary to select the regression method. The regression method was chosen in two stages, namely the Chow test and the Hausman test. However, if the correct regression model has not been found, it is necessary to perform a Lagrange Multiplier test.

**Table 2 Chow Test Results**

Effect Test	Prob.
<i>Chow test</i>	0.0000

In the Chow test the hypotheses used are:

Ho: *Common Effect*

Ha: *Fixed Effect*

Based on the Chow test conducted by researchers using Stata 14.2 software, the probability value obtained is 0.0000 or less than the significance level ( $0.0000 < 0.05$ ). This shows that Ho is rejected or the best chow model test is the fixed effect.

**Table 3 Hausman Test Result**

Effect Test	Chi2	Prob>chi2
<i>Hausman test</i>	22,29	0.0014

In the Hausman test the hypotheses used are:

Ho: *Random Effect*

Ha: *Fixed Effect*



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Based on the Hausman test that has been conducted by researchers, the results obtained from a probability value of 0.0014 or less than the significance level, so that  $H_0$  is rejected and the best research model in this study is the fixed effect. After testing the sample data with the Chow test and Hausman test, it can be concluded that the best model used is the fixed effect model (FEM). The following is the regression estimation result with the fixed-effect model:

**Tabel 4 Hasil Esitmasi Regresi Model *Fixed Effect***

Variable	Coefficient	t-statistik	Probabilitas	Conclusion
C	0.224357	1.35	0.183	-
Ln(PAD)	0.0049863	2.32	0.025	Significant
AG	4.907634	7.95	0.000	Significant
RLS	0.0034498	0.81	0.420	Not significant
AHH	-0.0006085	-0.23	0.820	Not significant
Ln(AK)	-0.0324994	-2.70	0.009	Significant

Based on the table above, the regression model equation is as follows:

$$IWit = 0.224357 + 0.0049863\ln(PAD)it + 4.907634Agglomerationit \\ + 0.0034498RLSit - 0.0006085AHHit - 0.0324994(AK)it + eit$$

### Interpretation of Analysis Result

#### The Effect of Original Regional Income (PAD) on Inequality in Economic Development

In his book Kuncoro (2006) entitled Development Economics, it is explained that at the beginning of regional development there was an unequal distribution. Disparities in income distribution tend to increase during the early stages of development. However, in a further stage of development, the distribution of income will gradually decline.



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Original regional income is one of the regional revenues that come from the original economic sources of the region. Local governments can optimize this PAD to improve the quality of public services. According to research conducted by Putri & Natha (2014), it shows that PAD has a significant positive effect on development inequality. However, the results of this study are different from the research conducted by Nurhuda, Muluk, & Prasetyo (2013). The study explains that the PAD has a significant negative effect on development inequality. This situation is following the opinion of Musgrave and Rostow about Government Expenditure Theory. At the beginning of economic development, huge government spending was required for government investment, such as investment in infrastructure. This increase will increase economic activities so that economic growth will also increase. Therefore, a large amount of income is needed to finance these expenses. One of them comes from PAD. From these theoretical and empirical studies, it can be concluded that local revenue is significant and negatively affects development inequality (Mangkoesoebroto, 1998).

If we look at the regression results that the researcher has done, the estimation results show the probability value of the PAD variable of 0.025. this value is less than the 5% significance level. So that the PAD variable partially has a significant positive effect on development inequality. Where when PAD increases by 1 percent, the level of development inequality will increase by 0.000049863. As in the city of Bandung which has the highest level of inequality in West Java. In 2018 the inequality in Bandung was 0.35. This inequality increased to 0.36 in 2019. This increase in inequality was marked by an increase in PAD in the City of Bandung from Rp2.571.591.784.000,00 to Rp3.055.014.614.000,00.

### **The Influence of Agglomeration on Inequality in Economic Development**

In Myrdal's theory, it is explained that economic development produces circular cumulative causation that will make people living in areas where there is a concentration of economic activity will get more and more benefits, while people who live in less-developed areas will be increasingly backward. From this question, we can see that the concentration or concentration of economic activities will result in insufficient economic development between



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regions. Agglomeration can occur due to several factors, such as differences in natural resources, transportation facilities, and demographic conditions.

The regression research obtained shows that the agglomeration variable has a positive and significant effect on the inequality of economic development in districts/cities in West Java Province. This is indicated by the probability value on the agglomeration variable of 0.000 or less than the 5% significant level and the coefficient of 4.907634. this means that an increase of 1 in agglomeration will affect an increase in development inequality of 4.907634. This is because the high concentration of economic activities in some areas in the regencies/cities in West Java Province will encourage faster economic growth in those regions. However, if the area is less concentrated in economic activity, it will also affect slow growth. so that agglomeration is said to be able to affect development inequality in a straight proportion. The results of the research are also supported by research conducted by Gounder & Xing (2012) and Azizy (2018), and Rahmawaty (2014) that agglomeration has a positive and significant effect on development inequality in the research object under study.

The increasing level of concentration of economic activity is something that must be considered. Because if no one controls this, development inequality will increase. Therefore, Islam teaches equalization through zakat, infaq, or alms. This is supported by the number of the Islamic population in West Java Province which reaches 90 percent (Jabarprov, 2020).

### **The Effect of Average School Years (RLS) on Inequality in Economic Development**

Education is an important factor to improve individual quality. By increasing the quality of human resources, it is hoped that they can compete in the era of globalization and be able to boost a people-based economy. According to Schultz (1961), human capital is one of the important factors in increasing economic productivity in a country. so that if the education of the better quality individuals, their productivity will also increase. education also has an important role in investment growth. Investments will be made in qualified human resources who can develop something more optimal. However, this theory contradicts the results of



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research conducted by Iqbal et al (2019) that education has a negative effect on development inequality.

In this study, the quality of human resources was seen from the mean years school. The longer the mean years' school in an area, the better the condition of education for the region's human resources. If we look at the regression results in this study, the coefficient value of the mean years school in the regression equation above is 0.0034498. However, the t-statistic calculation result is 0.81 and the probability value is greater than the 5% significant level ( $0.420 > 0.05$ ). So that we can know that the variable mean years' school does not significantly affect development inequality in the districts/cities of West Java Province in 2017-2019.

### **The Effect of Life Expectancy (AHH) on Inequality in Economic Development**

Apart from education, another factor shaping the quality of human capital is health. Researchers used life expectancy variables to describe the health conditions of the community. The Life Expectancy Rate describes the probability of the maximum age that a newborn baby can reach or also describes the standard of living of a nation. Life expectancy can also be said to be the maximum average age of the people in an area. In human capital theory.

In this study, the coefficient of the life expectancy variable is -0.0006085. This shows that the variable life expectancy has a negative effect on development inequality in districts/cities in West Java Province in 2017-2019. That is, if the life expectancy has increased by 1 year, it will have an impact on reducing development inequality by 0.0006085. However, the result of the t-statistic calculation is -0.23 and the probability value is greater than the 5% significant level ( $0.820 > 0.05$ ). So that we can know that the variable life expectancy does not have a significant effect on development inequality in the districts/cities of West Java Province in 2017-2019.



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## The Influence of The Labour Force on Inequality in Economic Development

In Myrdal's theory, it is explained that the concentration of economic activities will affect development inequality. This is because production factors are only focused on certain areas. One of the factors of production is human resources. The statement shows that the inequality of the quantity of human resources will affect the inequality of economic development. Several studies discuss the effect of the labor force on development inequality, as was done by (Maskanudin & Wibowo, 2018) in their research which states that the labor force has a positive and significant effect on development inequality in Central Java Province. In addition, the thesis research conducted by Hartono (2008) explains that the labor force has a negative and significant effect on inequality in economic development.

Meanwhile, the results of regression data processing in this study indicate the coefficient value of the labor force variable is -0.0324994 with a probability value of 0.009. This shows that the labor force variable has a negative and significant effect on development inequality in districts/cities in West Java Province in 2017-2019. This means that a 1 percent increase in the labor force will affect the reduction of development inequality by 0.000324994. This is due to an inequality in the number of the labor force in an area which also causes differences in conditions of economic activity. while the labor force has an important role in economic activity, therefore, when the number of the labor force increases, it can affect the decline in inequality in economic development.

## Conclusion

Development inequality discussed in this study uses the Williamson index indicator and the research method chosen is the fixed effect. Based on the results of the analysis of the determinants of economic development inequality in West Java Province in 2017-2019 with explanatory variables in the form of original regional government income, agglomeration, mean years school, life expectancy, and labor force, it can be concluded that simultaneously the dependent variable affects development inequality. Partially, the variable local revenue, the agglomeration has a positive and significant effect on inequality in economic development,



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while the labor force variable has a negative and significant effect on inequality in economic development. Meanwhile, the variable mean years' school has a positive but insignificant effect and life expectancy has a negative but insignificant effect on inequality in economic development between districts/cities in West Java Province 2017-2019.

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