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ABSTRACT

Income polarisation is a crucial issue because in addition to having serious social impacts, its intensity also has the potential to disrupt economic stability. Previous studies on this issue tend to look at income polarisation from the perspective of social and ethnic conflict. The perspective of internal household migration as a cause of income polarisation in Indonesia has not received much attention from existing studies. To fill this gap, this study focuses on the question of how household migration affects household income polarisation in Indonesia. It also addresses the further question of how remittances affect income polarisation in Indonesia. To answer these questions, a quantitative study was conducted using logistic regression model analysis of the Indonesian Family Life Survey (IFLS) wave 5 data in 2014. The results show that household migration between provinces in Indonesia has a major influence on income polarisation in Indonesia. Migrant remittances do not reduce income polarisation in Indonesia, economic and non-economic household migration motives do not affect income polarisation, and rural-to-urban migration patterns affect income polarisation in Indonesia. Therefore, policy measures need to prioritize reducing income inequality, increasing access to education and skills training evenly across regions in Indonesia.

Keywords: household migration, Remitences, Migration Motives, Pattern Migration income polarization, logistic Regression, IFLS