



UNIVERSITAS ANDALAS

**THE ANALYSIS OF INCOME INEQUALITY IN SUMATRA ISLAND
2010-2019: THE APPLICATION OF WILLIAMSON INDEX AND
KLASSEN TYPOLOGY**



**STUDY PROGRAM S-1 ECONOMICS
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The Analysis of Income Inequality in Sumatra Island 2010-2019: The Application of Williamson Index and Klassen Typology

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Abstract

The Indonesian economy growth has experienced stable and increasing. Furthermore, high and steadily increasing economic growth, in many cases in developing countries, does not automatically eliminate regional inequalities. Inequality on the island of Sumatra in 2010-2019 has revealed in different patterns, elements, or conditions. The existence of the development gap among provinces on Sumatra is led by various factors such as in the allocation or investment by the government or the private sector, has different natural resource potentials, differences in demography condition, economic concentration activity, and mobility. This research aim is to classify the region and measure the economy with an inequality index in Sumatra from 2010 to 2019. The research used secondary data from the Indonesian Central Bureau of Statistics with the tools of analysis are Williamson index and Klassen typology.

The path of regional income inequality is moving to convergence. This represents that inequality in Sumatra island is getting smaller and more evenly distributed because in the last 10 years has decreased every year. Income inequality among provinces in Sumatra is at a moderate level between 0.3740-0.4978. Thus this research shows that from 2010 to 2019 region with fast forward and rapidly developing is Riau Island province, and vice versa, Aceh and Bangka Belitung Islands Province are included in the backward province. Meanwhile, a developed but depressed area is Riau Province. The dominant provinces in Sumatra island fall into the category of potential to grow that consist of 6 provinces which are North Sumatra, West Sumatra, Jambi, Bengkulu, South Sumatra, and Lampung.

Keywords: Income inequality, Classification of region, Income per capita, Economic growth, Mixed-method.

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