Analysis of Economic Inequality In Banyuwangi Regency

Yeni Puspita1*, Galih Wicaksono2, Edy Wahyudi3
1,2,3 University Jember

ABSTRACT

Banyuwangi Regency is one of the regencies in East Java that has a higher economic growth rate than East Java’s economic growth. Likewise, the poverty rate in Banyuwangi in 2019 was 7.52 percent, this figure is much lower than the East Java Province average of 10.2 percent (Central Statistics Agency, 2019). Poverty in Banyuwangi Regency is contributed by several sub-districts, namely Kalibaru, Licin, Songgon, and Glenmore, where the percentage of poverty is above 10%, while other sub-districts such as Giri, Tegaldimo, and Sempu the percentage of the number of poor people is below 6%. This indicates the occurrence of economic inequality, where there are vertical and horizontal differences that cause disparities or uneven development. This study aims to see how the economic inequality in Banyuwangi Regency. The method used in this research is descriptive qualitative. The object of this research is all sub-districts in Banyuwangi Regency. The data is obtained by distributing questionnaires and conducting interviews with the Office which is directly related to indicators of economic inequality. The results of the study found that there were several sub-districts that still lacked the availability of health facilities and educational facilities, the Stunting Rate was still high in some sub-districts, the distribution of UMKM in the Banyuwangi district was evenly distributed, and there were several sub-districts whose UMKM had not yet developed, the number of unemployed was still scattered in several districts, The provision of social assistance still has the problem of mistargeting so that the achievement of the goal of social assistance is not achieved.

Keywords: Poverty, Inequality, Economy, Disparity.
JEL Classification Code: D63, H53, R58
INTRODUCTION
Economic inequality is still a problem in almost all countries in the world, both in developed and developing countries. The differences in economic development between regions, either vertically or horizontally, cause inequality and gap. The Central Bureau of Statistics (BPS) and Bank Indonesia (BI) recorded that Indonesia's GDP at 2010 constant prices was IDR 8.16 thousand trillion in 2013. By the annual average increase of 5%, the figure turned to IDR 10.95 thousand trillion in 2019. This increase shows that Indonesia increasingly experiences economic prosperity; however, not all people have enjoyed this welfare. The large economic inequality still exists in this country. The level of inequality in spending by the Indonesian population in 2021 as measured by the Gini Ratio was 0.381. Based on the World Bank's measure of inequality, by region, in urban areas the figure was recorded at 17%, which belongs to moderate inequality. Meanwhile, for rural areas, the figure was recorded at 20.83%, which is categorized low inequality. From the Central Statistics Agency (BPS), the level of inequality in Indonesian people's spending as measured by the Gini ratio was 0.384 in March 2022. Viewed from the area of residence, the Gini ratio in urban areas was 0.403 in March 2022. This value increased compared to September 2021 which was 0.398.

East Java is one province with a high economic growth rate in Indonesia. This indicates that the development in East Java runs much faster than that in other provinces. This province also has high economic growth compared to national growth, which is always above the national level. However, this condition is not balanced by the trend of the Gini ratio. It can be said that East Java Province has not been successful in its development process related to people's welfare. In other words, economic growth in East Java has not led to inclusive growth. Often there is a gap between economic growth and income inequality. In fact, the trend of the Gini ratio in East Java tends to increase, whereas in other provinces on the island of Java, the Gini ratio tends to be relatively constant every year.

Banyuwangi Regency is one of the regencies in East Java with a high level of economic growth compared to East Java's economic growth, as well as the National. As shown in Figure 1.3, the average economic growth of Banyuwangi Regency was 6.24 while East Java's average growth the economy from 2010 – 2018 was 5.97, and the national level was 5.51 (Central Bureau of Statistics, 2019). The economic growth trend of Banyuwangi Regency has always been positive; however, the income gap is still a problem in Banyuwangi Regency. Indeed, BPS has released the 2019 Banyuwangi poverty rate to 7.52 percent. This figure is much lower than the East Java Province average, which is 10.2 percent, as well as the national average of 9.22 percent. Poverty is contributed by several sub-districts in Banyuwangi Regency including Kalibaru, Licin, Songgon, Glenmore Districts, where the percentage of poverty is higher than 10%. Meanwhile, in other sub-districts such as Giri, Tegaldimo, Sempu, Banyuwangi, the percentage of poor people is below 6%, which is relatively low. This indicates that there is an imbalance in the distribution of income, so it is necessary to reduce economic inequality in Banyuwangi Regency. The efforts made must be optimized, especially in areas with high poverty levels.

The problem of economic inequality in several regions generally lies in the availability of public facilities. Research conducted by Aini Dwi (2016) suggested that there is a positive and significant influence between the number of primary schools, GRDP per capita and population density with HDI. The ratio of teachers
to students in primary schools and high school/vocational schools has a negative and significant effect on HDI. Furthermore, research conducted by Abdullah Rusli (2013) showed that there are only two significant variables that cause inequality i.e. wages and share of economic output received by employers. Meanwhile, two other variables are not significant i.e. urbanization and dependency ratio. Previous studies conducted in several regions looked at the level of inequality between districts, but in this study inequality is seen in each sub-district so that efforts can be made by local governments to reduce inequality according to the conditions of each sub-district.

METHODOLOGY

This research uses a qualitative approach, information on inequality and gaps in Banyuwangi district is obtained using interviews and focus group discussions with respondents from sub-districts, and government agencies, the next stage is mapping economic inequality in each sub-district. According to Creswell (2012), qualitative research is the process of exploring and understanding the meaning of individual and group behaviors. The research was conducted in all sub-districts in Banyuwangi Regency, by distributing questionnaires to sub-district officials in Banyuwangi Regency, supported by direct interviews with the head of the Office related to the problem of economic inequality. The agencies concerned are Social Department, Women Empowerment and Family Planning Department, Cooperative and Micro Enterprises Department, and Manpower and Transmigration Department.

RESULT AND DISCUSSION

Health facilities are relatively equally distributed in the sub-districts in Banyuwangi. However, there are still 9 sub-districts with minimum health facilities i.e. Licin, Glagah, Siliragung, Songgon, Tegalsari, Singojuruh, Giri, Blimbingsari, and Kabat. Thus, there is a need for intervention from the Banyuwangi Regency Government to enable these areas to utilize the existing health facilities. In efforts to achieve sustainable economic development, the education sector plays a very strategic role that can support the production process and other economic activities. In this context, education is considered as a tool to achieve sustainable targets. By education, development activities can be performed, so that opportunities to improve the quality of life in the future will be better. Educational facilities are evenly distributed in the sub-districts in Banyuwangi, except for Licin sub-district, where there is no high school in the sub-district. The absence of high school facilities in the sub-district is feared to hamper the 12-year compulsory education program. For this reason, intervention from the Banyuwangi Regency Government is needed to assess the urgency of the need for high school in the sub-districts.

Stunting is a condition of growth failure in children (body and brain growth) due to malnutrition for a long time. The children are growing shorter or look shorter than normal children in their age and have a slowed thinking. Generally, it is caused by food intake that is not in accordance with nutritional needs. Environmental factors that play a role in causing short stature include the mother’s nutritional status, insufficient protein in the proportion of total calorie intake, feeding patterns to children, environmental hygiene, and the incidence of infection in the early life of a child. In addition, it can be caused by genetic and hormonal factors. Poverty is considered to be an important factor causing stunting in children under five. Poor households cannot meet the nutritional intake for their children, so they become stunted. With such conditions, children's growth and development become hampered, resulting
in unqualified human resources. Human resources that are not qualified cannot meet the economic needs, making them trapped in poverty. In 2020, there were seven sub-districts with stunting rates above 10%, namely: Cluring (18.8%), Songgon (18.5%), Purwoharjo (18%), Glagah (15.4%), Giri (14%), Banyuwangi (12.2%), and Wongsorejo (10.6%). The seven sub-districts surely need serious handling, so that the stunting rate does not increase drastically. Appropriate policies or interventions from the District, Health Office, and District Government are needed. The policy of the Banyuwangi Regency Government Health Office to reduce stunting follows the strategy and policy direction of the central government.

The results of research by McDonaldCM, et al (2013) on countries in Asia, Africa, and Latin America showed that the mortality rate of children who are stunted and underweight is three times greater than that of children with adequate nutrition. The government needs to pay serious attention to reduce stunting, considering that Indonesia's stunting prevalence rate is still relatively high. Based on the results of the Nutrition Status Monitoring (PSG) 2017, the stunting prevalence rate in Indonesia reached 29.6%. According to WHO, public health problems can be considered chronic if the prevalence of stunting is more than 20%. This means that, at national level, the stunting problem in Indonesia is classified as chronic. In population growth, stunting can reduce human resource productivity. This is reflected in the Human Development Index (HDI) of Indonesia in ASEAN which is still lower than Singapore, Malaysia, Thailand, the Philippines, and is on par with Vietnam (UNDP, 2018). Based on data from the 2016 UNDP Human Development Report, Indonesia has a HDI figure that is still far behind when compared to 4 other ASEAN countries, namely (5) Singapore (HDI: 0.925); (30) Brunei (HDI: 0.865); (59) Malaysia (HDI: 0.789); (87) Thailand (HDI: 0.740); (113) Indonesia (HDI: 0.689).

Based on the Banyuwangi Regent Regulation Number 68 of 2020 concerning the Convergence of Stunting Prevention and Control in Banyuwangi Regency, several efforts to reduce stunting rates have been carried out by the Banyuwangi Regency Government which is an instrument or intervention approach that is carried out in a coordinated, integrated, and joint manner in an effort to reduce stunting. Prevention is carried out, among others specific Nutritional Interventions are interventions that target the direct causes of Stunting which include adequate food intake and nutrition, feeding, care and parenting, and treatment of infections/diseases, sensitive Nutrition Interventions are interventions that target the indirect causes of stunting which include increasing access to nutritious food, increasing awareness, commitment, and practice of maternal and child nutrition care, increasing access and quality of nutrition and health services, as well as providing clean water and sanitation. Prevalence is all population suffering from the disease (new and old cases) from the population at risk of suffering from the disease in a certain period of time.

Integrated Service Post, hereinafter referred to as Posyandu, is a form of Community Based Health Efforts (UKBM) which is managed and organized from, by, and for the community in the implementation of health development, in order to empower the community and provide convenience to the community in obtaining basic health services. to accelerate the reduction of maternal and infant mortality, Stimulation of Early Intervention of Growth and Development, hereinafter abbreviated as SDIDTK, is a comprehensive and quality developmental development of children through stimulation, detection and early intervention of developmental deviations in the first 5 years of life.

Job seekers in the District
Banyuwangi has decreased every year. Especially in 2020, it decreased drastically compared to previous years, this was due to the Covid-19 pandemic, which hit the economy of the community and business actors. The sluggish condition of the economy and business, of course there are many reductions in the workforce.

The strategic issues in the 2016-2021 Strategic Plan of the Manpower and Transmigration Office of Banyuwangi Regency are compiled based on the compilation contained in the 2016-2021 RPJMD of Banyuwangi Regency, the results of an analysis of the existing situation and conditions, as well as the perceptions of the public, figures, and experts on manpower and transmigration. From a number of issues and problems, it can be appointed as a strategic issue with the following criteria, the discrepancy between the qualifications of job vacancies and the talents, interests, and abilities of job seekers, limited job opportunities available, the high number of violations of labor norms, and the increasing number of cases of industrial relations disputes, very limited quota of transmigration participants, The public services of the Banyuwangi Regency Manpower and Transmigration Service are still not optimal.

Some of the problems faced by the Banyuwangi Regency workforce, based on stakeholders, include the following the economic sector based on science, technology, creativity, and innovation has not been fully utilized, The synergy of community social capital for development has not been maximized. The high rate of migration and the number of migrants who attend education who graduate from school do not return to their area. Lack of compatibility of qualifications/skills between graduates of formal education and the world of work. Higher labor absorption for non-permanent/outsourced workers has the potential for workers to revert to being unemployed. The high number of work accidents. High violation of work norms. Cases of protracted industrial relations disputes.

Responding to the Covid-19 pandemic, there are several policies issued by the Manpower Office or the Banyuwangi Regency Government to reduce unemployment in Banyuwangi Regency, including:
1. Develop and manage Job Market Information
2. Improving the quality of the workforce so as to produce competitive workers who can work or become entrepreneurs according to their talents and interests
3. Improving the quality of labor placement services with sufficient infrastructure needed
4. Improved protection services for Indonesian Migrant Workers (PMI)
5. Financial education and empowerment for PMI Purna, so that they can move the economy in rural areas
6. Creating a harmonious, dynamic, and just relationship between entrepreneurs and workers/laborers so that welfare for workers/laborers is achieved
7. Hold a Job Fair (job fair) which is held at least once a year. In 2019, the number of workers absorbed through the Job Fair was 505 people, while in 2020 the Job Fair could not be held due to Social Distancing due to the Covid-19 Pandemic.

MSMEs and entrepreneurship are instruments for creating economic growth. The existence of MSMEs and entrepreneurship is expected to be a driving force for the economy in Banyuwangi Regency, considering that Banyuwangi has the potential to develop the service and trade business sector originating from the tourism sector, and is supported by Banyuwangi’s strategic location, namely as a liaison between the islands of Java and Bali. The work program carried out by the Banyuwangi DINKOPUMKM to increase the number of
MSMEs in Banyuwangi namely by carrying out basic entrepreneurial skills training for the community. Such as: training on various pastries/wet cakes, training on skills from flannel, training on herbal medicine, training on flower arrangement, sewing, batik, woven bamboo, various processed fruit, Banyuwangi culinary etc. The existence of various types of training is expected to increase the number of MSME actors, as well as increase the knowledge/skills of existing MSME actors to become more skilled. From the number of people who were trained there was an increase of 20% who grew into new entrepreneurs.

Constraints or obstacles faced related to the MSME improvement or development program, among others:
1. Mentoring for SMEs that are just growing is due to the limited manpower in the SKPD.
2. The spirit that is lacking from SMEs is because in their minds they always want to get help, they should think independently
3. Business management run by SMEs is still very traditional. No books and no business reports. Finances become one with personal money.
4. Not all people who are trained have the desire to become new entrepreneurs. There are still many participants who just want to get pocket money

The Banyuwangi Regency Government has made various efforts in an effort to grow micro-enterprises so that MSMEs can support the community's economy, based on the Banyuwangi Regency Regulation Number 1 of 2019 concerning Empowerment and Protection of Micro Enterprises in Banyuwangi, where the objectives of empowering and protecting Micro Enterprises are as follows:

a. Realizing a balanced, developing, and just regional economic structure;
b. Grow and develop the ability of Micro Enterprises to become a strong and independent business;
c. Increasing the role of Micro Enterprises in regional development, job creation, income distribution, economic growth, and alleviating people from poverty;
d. Increase public and business participation to grow micro-enterprises;
e. Increase productivity, competitiveness, and market share of micro enterprises;
f. Fostering an entrepreneurial spirit;
g. Increase access to productive resources and wider markets;
h. Develop regional superior products based on local resources.

Several strategies that have been carried out by the Banyuwangi Regency government are in 2015 the MSME Diskop innovates the development of the Cooperative and MSME sector through the Online Marketing (MOL) program aimed at facilitating MSME actors in promoting products. As for the digital market platform, through the website www.banyuwangimall.com, there are MSME products created by Banyuwangi residents. Plus the Online Report (ROL) facility with the aim of accelerating reporting on the development of cooperative financial management and optimizing K- SME clinic services. In the process, the contribution of the MSME sector increased from 57.84 percent to 60.34 percent in 2016 (Imaniar, 2019).

Banyuwangi Regency stipulates that the recipients of social assistance (Bansos) in each sub-district in Banyuwangi Regency, based on data on recipients of social assistance for the 2020 fiscal year per Village/Kelurahan, which are 100 families. The mechanism for distributing social assistance from the district budget is channeled through villages/kelurahan. The obstacle or obstacle experienced by the Social Service in implementing the social assistance distribution program in Banyuwangi Regency is that the receipt (SPJ) of the distribution of social assistance is not directly deposited to the
Social Service by the village/kelurahan. Although there have been recipients of social assistance of 100 families per village / kelurahan, there are still many poor families who are actually also entitled to receive social assistance.

Based on a study from Citra, Fitria Suci (2021) Problems faced in providing social assistance in Indonesia, especially social assistance Covid 19 is invalid Beneficiary Family (KPM) data, such as data on residents who have died, but are still registered to receive social assistance. In addition, there is also data on residents who used to be farmers who have now become village officials or who used to be honorary and now become Civil Servants (PNS) who still receive social assistance.

Based on the Banyuwangi Regent Regulation Number 5 of 2021 concerning the Second Amendment to the Banyuwangi Regent's Regulation Number 33 of 2019 concerning Procedures for Budgeting, Implementation and Administration, Accountability and Reporting as well as Monitoring and Evaluation of Grants, Social Assistance, Financial Assistance and Revenue Sharing for the Banyuwangi Regency Government, several efforts made by the Banyuwangi Regency Government in transparency of social assistance funds receipts and making it easier for residents to check social assistance recipients are as follows:

1. The Banyuwangi Regency Government is now opening online reporting for its citizens affected by the Covid-19 pandemic who have not been registered in the social safety net or social assistance scheme, either from the central, provincial or district governments.
2. Data on social assistance recipients in Banyuwangi is announced in two ways, conventional and online. In the conventional way, data on social assistance recipients are announced at village hall offices, mosques, churches, temples and other public places.

CONCLUSION
The number of unemployed in 2020 increased compared to the previous year, this was due to the Covid-19 pandemic which resulted in restrictions on various business activities. College graduates contributed the largest number to the percentage of employed people in the workforce, while high school graduates produced the lowest number. The Banyuwangi Regency Government already has several strategies in reducing unemployment, among others, through improving the quality of workers and holding a job fair every year. Health facilities are relatively evenly distributed in the sub-districts in Banyuwangi. However, there are still 9 sub-districts where the number of health facilities is still minimal, namely in Subdistricts: Slippery, Glagah, Siliragung, Songgon, Tegalsari, Singojuruh, Giri, Blimbingsari, and Kabat.

Educational facilities are evenly distributed in the sub-districts in Banyuwangi, except for the Licin sub-district, where there is no high school in the sub-district. The stunting rate in Banyuwangi has increased compared to the previous year, and there are 7 sub-districts where the stunting rate is relatively large compared to other areas, including in the Districts: Cluring, Songgon, Purwoharjo, Glagah, Giri, Banyuwangi, and Wongso. To overcome stunting, the Banyuwangi Regency Government has 5 pillars of strategies for accelerating stunting prevention and 8 convergence/integration actions for stunting reduction.

The distribution of the number of MSME actors is evenly distributed in every sub-district in Banyuwangi, but there is 1 sub-district where MSMEs are relatively small, namely Licin District. In developing MSMEs, the Banyuwangi Regency Government intervened by holding various types of basic entrepreneurial skills training activities for the community. With regard to social assistance, there is a policy that the recipient of the social assistance is 100
families per kelurahan or village. However, there are still many heads of families who should be entitled to receive the social assistance.

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