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## Income Inequality Between Districts and Their Impact on Poverty in Aceh Province

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### Abstract

The problem of income inequality and poverty is a key issue that is always associated with economic development, both in developed and developing countries. Eliminating poverty and reducing economic inequality are absolutely necessary in order to realize social welfare. If the government does not actively intervene in economic activities, then economic activities will be regulated by market mechanisms and then have a negative impact on further development, namely the widening of the welfare gap from time to time between rich and poor areas as a result of the economic activities of richer areas. smoothly compared to poor areas. Aceh is one of the regions, regions or parts of the Republic of Indonesia. In 2013 the Province of Aceh was divided into 18 districts and 5 cities, consisting of 284 sub-districts, 755 mukim and 6,450 gampong or villages with an area of Aceh Province of 5,677,081 ha and a population of 4,597,308 people (BPS Aceh, 2013). The Central Statistics Agency (BPS, 2021) noted that there were 834.24 thousand poor people in Aceh in March 2021, an increase of 0.04 percent compared to September 2020 of 833.91 thousand people. However, the poverty rate in Aceh has decreased from 10.43 percent in September 2020 to 10.33 percent in March 2021. In detail, the poverty rate in rural Aceh has decreased from 17.96 percent in September 2020 to 17.78 percent in March 2021. Meanwhile, the urban poverty rate in Aceh will increase from 10.31 percent in September 2020 to 10.46 percent in March 2021. This research was conducted in all districts and cities in Aceh Province starting from Simeulue, Aceh Singkil, South Aceh, Southeast Aceh, East Aceh, Central Aceh, West Aceh, Great Aceh, Pidie, Bireuen, North Aceh, Southwest Aceh, Gayo lues, Aceh Tamiang, Nagan Raya, Aceh Jaya, Banda Aceh, Sabang, Langsa, Lhokseumawe, Bener merry, Pidie Jaya and Subulussalam. To see income inequality between districts in Aceh Province, the variable is limited to income per capita and the population of each district is analyzed from the 2010-2020 period. The data used is secondary data, obtained from the Aceh Province Central Statistics Agency, BAPPEDA Aceh and a number of reports and literature especially from several offices and related agencies. The model used to see the direction of development inequality is the Williamson Coefficient Formula. Regional development is considered evenly distributed if the Williamson Coefficient is equal to zero or close to zero. Vice versa, development inequality will occur if the coefficient value is further away from zero. Of the 23 regencies/cities in Aceh Province, the most evenly distributed income per capita with a Williamson coefficient value below 0.05 is Aceh Singkil, South Aceh, Sabang, Langsa, Subulussalam, Aceh Tamiang, Nagan Raya, Bener Meriah, Gayo

Lues, Central Aceh, West Aceh, Aceh Besar, Bireuen and Southwest Aceh District. The second order for districts/cities with a fairly even level of income distribution and having a Williamson coefficient value between 0.05-0.09 is Simeulue, Southeast Aceh, Pidie, North Aceh, Aceh Jaya and Pidie Jaya districts. The third order for districts/cities with an uneven level of income distribution and having a Williamson coefficient value above 0.10 is East Aceh District, Lhokseumawe City and Banda Aceh City. It turns out that the income inequality that occurs increases the level of poverty that occurs in Aceh Province. It is hoped that local governments can identify all the potential resources contained in their respective regions and then explore them to increase the Gross Regional Domestic Product, so that in turn it can increase per capita income itself and will reduce the number of poor people. For further research, it is expected to be able to add economic growth variables to see the link between inequality and economic growth itself in Aceh Province

**Keywords:** Income Inequality and Poverty

### Introduction

The problem of income inequality and the level of poverty is a main problem that is always associated with economic development, both in developed countries and in developing countries. Therefore, eradicating poverty and reducing economic inequality is absolutely necessary in order to realize people's welfare. If the government does not actively intervene in economic activities, then economic activity will be regulated by the market mechanism and then have a negative impact on further development, namely the widening of the welfare gap from time to time between rich regions and poor regions as a result of economic activities in rich regions more smoothly compared to poor areas (Myrdal, 1975: 26). Thus, economic development takes place more quickly in more developed regions, resulting in income disparities and poverty levels proportional to the progress of the level of development in the region concerned.

In order to minimize income inequality between communities, more investment should be directed to projects related to the poor, such as education, health, agricultural activities and so on so that the inequality that occurs does not widen. The success of development with a rate of economic growth exceeding the rate of population growth, is not yet a benchmark for the welfare of the community, namely whether or not the level of poverty is evenly distributed. But the success of development with a high growth rate only symbolizes a quantitative measure of economic progress (Sagir, 2020: 20).

Aceh is one of the regions, regions or parts of the Republic of Indonesia. Aceh is located in the westernmost part of the archipelago, occupying a strategic position as a gateway for trade and cultural traffic that has connected East and West for centuries. In

2013 Aceh Province was divided into 18 districts and 5 cities, consisting of 284 sub-districts, 755 mukims and 6,450 gampongs or villages with an area of 5,677,081 ha of Aceh Province and a population of 4,597,308 people (BPS, Aceh in Figures 2013).

The Central Statistics Agency (BPS, 2021) noted that there were 834.24 thousand poor people in Aceh in March 2021, an increase of 0.04 percent compared to September 2020 of 833.91 thousand people. However, the poverty rate in Aceh has decreased from 10.43 percent in September 2020 to 10.33 percent in March 2021. In detail, the poverty rate in rural Aceh has decreased from 17.96 percent in September

2020 to 17.78 percent in March 2021. Meanwhile, the poverty rate in Aceh's urban areas increased from 10.31 percent in September 2020 to 10.46 percent in March 2021.

Regional economic development is essentially a series of efforts and policies aimed at improving the standard of living of the people in an area, expanding employment opportunities, equalizing the distribution of public opinion, improving economic relations from the primary sector to the secondary and tertiary sectors. In other words, regions that have low production have less opportunity so they do not get the benefits that are reflected in an adequate income distribution. The difference in the benefits enjoyed by these regions creates the problem of poverty. Income inequality in an economy is a worldwide phenomenon, both in developed and developing countries. As a problem in development, inequality cannot be completely eliminated. In other words, income inequality will continue to exist both in family or community groups, as well as between regions within a certain area. This condition is understandable because the measurement of inequality is based on income receipts for individuals, families and certain regions as a whole. This income difference will describe income inequality, so what is meant as income inequality here is regarding a certain value or amount that is the same or not the same between one another without looking at the background or factors that affect the size of the value.

## **Literature of Related Review**

### **Income Inequality**

The Williamson coefficient calculated by Daneire proves that income inequality between provinces in Thailand is increasing. It turns out that the Bangkok Metropolitan Region (BMR) is the main cause of this increase (Daneire, 2016:379). Daneire's findings support the results of the study which also concluded that Thailand's economic growth only relies on BMR.

Adelman and Morris (Arsyad, 2018: 174), which can cause inequality in income distribution are:

1. High population growth results in a decrease in per capita income.
2. Inflation, the increase in money income is not followed in proportion to the increase in the production of goods.
3. Inequality of development between regions.
4. Very large investment in capital intensive projects, so that the percentage of capital income from additional assets is greater than the percentage of income derived from labor, so that unemployment increases.
5. Low social mobility.
6. Implementation of the import substitution industrial policy which results in an increase in the prices of industrial goods to protect the businesses of the capitalist group.
7. The deteriorating terms of trade for developing countries in trade with developed countries, as a result of the inelastic demand of developed countries for export goods of developing countries.
8. The destruction of folk craft industries such as exchange, home industries, and others

Individual income analysis can be carried out using the Lorenz Curve which shows the relationship between the percentage of the population of a certain income group to the total population with the percentage of income they get to the total income for one year (Todaro, 2018: 169). This Lorenz curve when described will have the form as shown in the following figure (Todaro, 2018: 173):

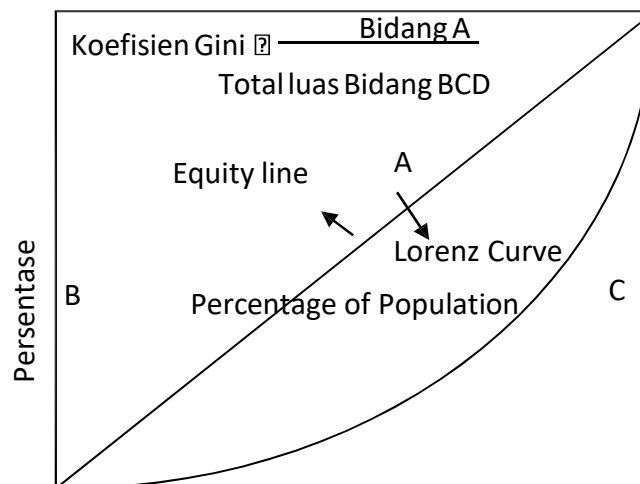


Figure 1. Lorenz curve

The curved line BD in the figure above shows the Lorenz Curve, while for measuring the level of inequality or income inequality, it can be obtained by calculating the ratio of the area that lies between the diagonal line and the Lorenz Curve divided by the area of half of the area where the Lorenz Curve is located. This ratio is often referred to as the Gini Concentration Ratio or often termed the Gini coefficient. The Gini coefficient is a measure of inequality or inequality in aggregate income whose numbers range from zero (perfect equality) to one (perfect inequality). The lower the Gini index, the smaller the inequality. Susanti et al (2015: 93) benchmark Gini coefficient values are:

Less than 0.4 is a low level of inequality

Between 0.4 – 0.5 is a moderate level of inequality. Higher than 0.5 is a high level of inequality. Based on these criteria, it can be explained that the greater the Gini coefficient, the higher the inequality. In terms of measuring inequality with the Gini ratio, the population is classified into 10 groups after being sorted according to their income level. The distribution of income is considered equal if the poorest 10 percent of the population receives 10 percent of the national income, and the poorest 40 percent of the population receives 40 percent of the national income. On the other hand, the distribution of income becomes unequal if for example 99 percent of the national income is received by only 1 percent of the population.

Kuznets (Todaro, 2018: 189) has contributed greatly in pioneering the analysis of historical growth patterns in developed countries. Kuznets argues that in the long run in the early stages of growth the distribution of income or welfare tends to deteriorate, but in the later stages it will improve. This observation became widely known as the concept of the “inverted-U” Kuznets Curve. The concept derives its name from the form of a series of longitudinal changes (over time) in the distribution of income (measured by the Gini coefficient) in line with the growth of Gross National Product per capita. This is as shown in Figure 2.2 (Todaro, 2018: 190).

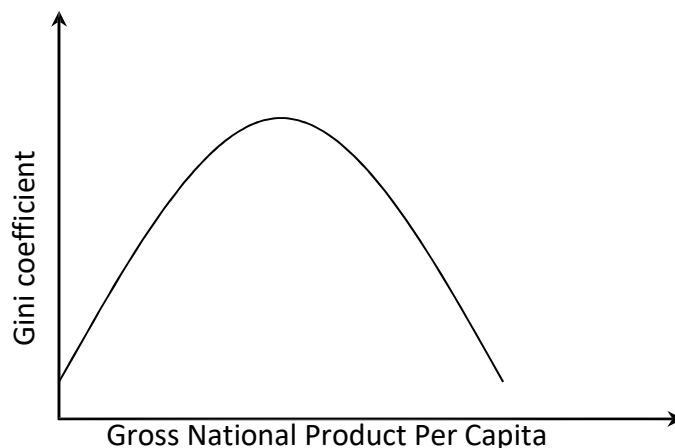


Figure 2. Kuznets Curve

Kuznets (Hasibuan, 2018: 207) in the early stages of development there was a concentration of wealth and savings in several high-income groups, while the progressive tax system was still less effective. Meanwhile, the process of changing the economic structure is still at an early stage, with high urbanization. In the next stage the gap stabilizes due to legislative provisions and political decisions against high income groups, such as income tax, inheritance tax and so on.

When viewed from modern and traditional economic conditions, cities and villages, in a growing economy there tends to be a gap in the distribution of income (Hasibuan, 2018: 209). This is because the modern sector of the city that uses technology and machines is growing, while the traditional village sector is getting left behind.

The Kuznets hypothesis is a relationship that results from long-term changes in the structure of the economy. But recently the Kuznets hypothesis has often focused on short-term phenomena. Because the high rate of economic growth in some developing countries has been observed over a relatively short period of time, such as Brazil which lasted from 1960 to 1970, it has led to large inequality in the distribution of income (Wie, 2021: 40). This could be because growth is concentrated in specific regions or sectors, so lags in labor mobility can create imbalances in factor markets that result in significant differences in income sharing. This relationship can be tested by using a regression equation, by including Gross National Product per capita and Gross Domestic Product growth as explaining variables (Wie, 2021: 41). Since the Kuznets hypothesis is in the form of an “inverted U”, this relationship is in the form of a quadratic function.

### **Causes of Inequality in Development Between Regions**

There are several factors that determine inequality between regions, including (Syafrijal, 2018)

#### **a. Differences in Natural Resource Content**

The first cause that encourages the emergence of development inequality between regions is the very large difference in the content of natural resources in each region. This difference in the content of natural resources will clearly affect production activities in the area concerned. Areas with a fairly high natural resource content will be able to produce certain goods at a relatively low cost compared to other regions that have a lower natural

resource content. This condition encourages the regional economic growth to be faster. Meanwhile, other regions that contain less natural resources will only be able to produce goods with higher production costs so that their competitiveness becomes weak.

b. Differences in Demographic Conditions

Another factor that also encourages development inequality between regions is when there are large differences in demographic conditions between regions. The demographic conditions in question are differences in growth rates and population structure, differences in education and health levels, differences in labor conditions and differences in behavior and habits as well as the work ethic of the people of the area concerned.

This demographic condition will be able to affect development inequality between regions because this will affect the work productivity of the community in the area concerned. Regions with good demographic conditions will tend to have higher work productivity so that this will encourage increased investment which in turn will increase the provision of jobs and economic growth of the region concerned. On the other hand, if in a certain area the demographic conditions are not good, this will lead to the relatively low work productivity of the local community which creates conditions that are less attractive for investment so that the economic growth of the area concerned will be lower.

c. Lack of Smooth Mobility of Goods and Services

The lack of smooth mobility of goods and services can also encourage an increase in development inequality between regions. This mobility of goods and services includes inter-regional trade activities and migration, either sponsored by the transmigration government or spontaneous migration. The reason is because if the mobility is smooth, the excess production of one area cannot be sold to other areas that need it. Likewise, migration that is not smooth causes the excess manpower in one region cannot be utilized by other regions that need it most. As a result, development inequality between regions will tend to be high because the advantages of a region cannot be utilized by other regions that need it, so that underdeveloped regions find it difficult to encourage the development process.

d. Regional Economic Activity Concentration

The occurrence of a fairly high concentration of economic activity in certain areas will clearly affect development inequality between regions. Regional economic growth will tend to be faster in areas where there is a fairly large concentration of economic activity. The concentration of economic activity can be caused by several things. First, because there are more natural resources in certain areas. Second, the distribution of transportation facilities, both land, sea and air, also affects the concentration of economic activity between regions. Third, demographic conditions (population) also influence because economic activities will tend to be concentrated where human resources are available with better quality.

e. Inter-regional Development Fund Allocation

The allocation of government investment to the regions is largely determined by the local government system adopted. If the regional government system adopted is centralized, then the allocation of government funds will tend to be allocated more to the central government, so that the development gap between regions will tend to be high. However, if on the contrary, where the government system adopted is autonomous or federal, then more government funds will be allocated to the regions so that income inequality will tend to be low. The allocation of government funds which among other things will have an impact on

development inequality between regions is the allocation of funds for the education, health, roads, irrigation and electricity sectors. All of these sectors will have an impact on increasing labor productivity, per capita income, and ultimately increasing economic movement in the area.

### **Definition of Income**

The concept used to measure the level of public opinion is known as the concept of gross domestic product (GDP), which is the total value added (Gross Value Added) generated by various sectors carrying out their business activities in an area without regard to voters or production factors. So in aggregate GRDP shows the ability of a region in generating income or remuneration to the production factors that participate in the production process of the area.

Gross value added is the production value (output) minus the intermediate cost. This calculation includes the components of income factors (wages, land rent and profits), depreciation and net indirect taxes, so that the added value is the same as the remuneration for the participation of production factors in the production process.

The income arising from these production activities is domestic income. An area will receive income from the production of the area, hereinafter referred to as GRDP. If GRDP is divided by the total population in an area, this is known as per capita income. Whereas what is meant by regional products are domestic products plus income from outside the region minus income paid out of the area. So the domestic product is a product that is really derived from the factors owned by the region.

National or regional income figures can be used to measure income increases. The increase in income can be caused by two factors, namely:

- a. The increase in income can actually increase the cost of buying the product.
- b. Increase in income caused by inflation (declining value of money). This increase in income does not increase the purchasing power of the population and this increase is a pseudo (not real) increase.

Regional income with inflation factor still in it is regional income based on prevailing prices. Calculation of regional income according to current prices means that regional income is calculated according to prices prevailing in the year concerned.

Meanwhile, regional income where the inflation factor has been removed is regional income at constant prices. The calculation of regional income at constant prices is very important to see the real development from year to year for each economic activity as a whole. (Widodo, 2020: 60)

The production method is carried out by calculating the added value of goods and services produced by all economic activities by subtracting the costs of each total production of each sector.

#### **a. Income approach**

In the income approach, the added value of each economic activity is estimated by adding up all remuneration for factors of production, namely wages, salaries, business surplus or profits, depreciation and net indirect taxes.

#### **b. Expenditure approach**

The expenditure approach is based on the final use of goods and services produced domestically, in terms of the intended use

- Household consumption



- Private consumption
- Government consumption
- Gross fixed capital formation
- Net exports

### **Understanding Imbalance Between Regions**

The problem of regional income imbalance is a dilemma in the process of community development, both in developed and developing countries. If it is not handled seriously, it will result in endless social impacts which will ultimately disrupt development as a whole. One of the reasons for the difference in development progress between districts/cities is the different characteristics between one region and another. The difference in question can be in the form of geographical location, resources and so on. As a result, each region has different advantages in the sector of economic activity.

This potential or advantage will then be used as a driving activity for economic growth in the area concerned (Panahatan, 2019:15).

Seen at the macro and micro levels, development during the New Order Government has created a large gap, both in the form of Personal Income Distribution, as well as in the form of economic inequality. There are a number of indicators that can be used in analyzing the development gap between provinces or between districts/cities including (Tambunan, 2017:107):

1. Distribution according to GRDP, the Williamson index in the early stages of economic development, disparities in income distribution will enlarge and be concentrated in certain areas that were initially relatively developed.
2. Variations in household consumption per capita between provinces Per capita household consumption expenditure is also one of the benchmarks to see differences in the level of economic development or community welfare between provinces.
3. Human Development Index, hypothetically it can be said that the better the development of an area, the higher the HDI in that area.
4. The sectoral contribution to GRDP, it can be said that the greater the role of the economic sector that has high added value such as the manufacturing industry in the formation or growth of GRDP in a region, the higher the GRDP growth of the region.
5. Fiscal structure, a region with a high level of development as seen from the high real income per capita income, the regional government revenue is also high.
6. The level of poverty, Java Island as the center of poverty in Indonesia is closely related to the population density on the island of Java, which is indeed the highest compared to other provinces in the country.

### **Structural Change Theory**

Structural change theory focuses on the mechanism of economic transformation experienced by developing countries which were originally more subsistence and focused on the agricultural sector towards a more modern economic structure and heavily dominated by the industrial and service sectors (Todaro, 2018). In the Fei-Ranis model, concepts related to the transfer of labor from the agricultural sector to the industrial sector. The stages of labor transfer are divided into three based on the marginal physical product (MPP) and wages which are considered constant and determined exogenously, as follows (Todaro, 2018).

a) In the first stage, because labor is abundant, the MPP of labor is equal to or close to zero so that the surplus labor transferred from the agricultural sector to the industrial sector has a perfectly elastic supply curve. At this stage, although there is a transfer of labor, total production in the agricultural sector does not decrease, labor productivity increases and the industrial sector can grow because it is supported by additional labor provided by the agricultural sector. Thus, labor transfer benefits both sectors of the economy.

b) In the second stage, the reduction of one unit of labor in the agricultural sector will reduce production because the MPP of labor is already positive (section AB) but the MPP is still smaller than the  $W$  wage level. Transfer of labor from agriculture to industry at this stage has costs positive balance, so that the labor supply curve in the industrial sector has a positive elasticity from point  $S_1$ . Transfers will still occur, producers in the agricultural sector will release their labor even though it causes production to decline because the decline is lower than the amount of wages that are not paid. On the other hand, because the surplus production supplied to the industrial sector decreases while demand increases (due to additional labor coming in), the relative price of agricultural commodities will increase.

c) The third stage is the commercialization stage in both economic sectors, where the MPP of labor is already higher than the wage level. Agricultural producers will maintain their workforce so that each sector tries to be efficient. Transfers will continue to occur if technological innovation in the agricultural sector can increase the MPP of the workforce. Meanwhile, the demand for labor continues to increase from the industrial sector with the assumption that profits in this sector are reinvested to expand the business. The mechanism is summarized in Figure 3.

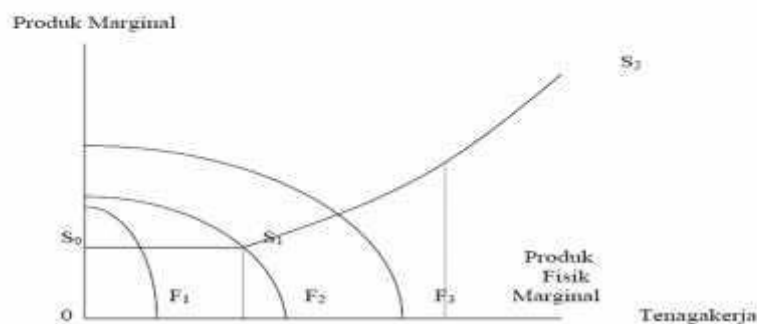


Figure 3. Fei-Ranis Model of Labor Transfer from Agriculture to Industry

In this FR model, the speed of labor transfer from the agricultural sector to the industrial sector depends on: (a) the rate of population growth, (b) technological developments in the agricultural sector and (c) the growth rate of the capital stock in the industrial sector and the surplus achieved in the agricultural sector. . Thus the balance of growth in the two sectors is a prerequisite to avoid stagnation in national economic growth. This means that the two sectors must grow in a balanced manner and the transfer and absorption of labor in the industrial sector must be faster than the growth of the labor force.

The structural transformation of a subsistence economy was formulated by a leading economist, W. Arthur Lewis. In theory, the Lewis two-sector model includes (Todaro, 2018):

#### a) Traditional Economy

In this theory Lewis assumes that in rural areas with traditional economies there is a surplus of labor. The traditional economy is that the standard of living of the people is in a subsistence condition, this is caused by overpopulation and is characterized by the marginal productivity of labor equal to zero. This is a situation that allows Lewis to define the condition of surplus labor (surplus labor) as a fact that if some of the labor is withdrawn from the agricultural sector, the sector will not lose its output.

#### b) Industrial Economy

In this economy, it is located in modern urban areas, which plays an important role in the industrial sector. The hallmark of this economy is a high level of productivity and a shelter for labor that is transferred little by little from the subsistence sector. Thus the urban economy is a destination for workers who come from rural areas so that the addition of labor to the existing production system will increase the output produced.

The series of processes of self-sustaining growth and the expansion of employment opportunities in the modern sector are assumed to continue until all surplus rural labor is absorbed by the industrial sector. Furthermore, the next additional labor can only be withdrawn from the agricultural sector at a higher cost because this will result in a decline in food production. Structural transformation of the economy will naturally become a reality and the economy will eventually shift from a traditional agricultural economy centered in the countryside to a modern industrial economy oriented towards an urban lifestyle.

The analysis of the Pattern of Development theory explains the structural changes in the stages of the process of economic change from developing countries undergoing a transformation from traditional agriculture to the industrial sector as the main engine of economic growth. The increasing role of the industrial sector in the economy is in line with the increase in per capita income which is very closely related to capital accumulation and increased resources (Human Capital) (Todaro, 2018).

#### a) Judging from Domestic Demand

When viewed from domestic demand, there will be a decrease in demand for food consumption because it will be compensated by an increase in demand for non-food items, an increase in investment, and an increase in government spending, which increases in the existing GNP structure. There have also been changes in the international trade sector, namely an increase in the value of exports and imports. Throughout this structural change, there was an increase in the share of exports of commodities produced by the industrial sector and a decrease in the share of the same sector on the import side.

#### b) Viewed from Labor

When viewed from the workforce side, there will be a process of labor migration from the agricultural sector in the village to the industrial sector in urban areas, although this shift is still lagging behind the structural change process itself. With this lag, the agricultural sector will play an important role in increasing the supply of labor, both from the beginning and at the end of the transformation process of these structural changes. In general, countries that have a high population level which basically represents a high level of potential demand, tend to establish import-substitution industries. This means that they produce their own goods that were previously imported and then sold in the domestic market. On the other hand, countries with relatively small populations tend to develop industries that are oriented towards international markets. The theory of structural change explains that the acceleration

and pattern of structural transformation that occurs in a country is influenced by internal and external factors that are interrelated with one another.

## Research Methodology

### The Scope of Research

This research was conducted in Aceh Province, namely in all districts and cities in Aceh Province starting from Simeulue, Aceh Singkil, South Aceh, Southeast Aceh, East Aceh, Central Aceh, West Aceh, Aceh Besar, Pidie, Bireuen, North Aceh, Aceh Southwest, Gayo lues, Aceh Tamiang, Nagan Raya, Aceh Jaya, Banda Aceh, Sabang, Langsa, Lhokseumawe, Bener lively, Pidie Jaya and Subulussalam. In looking at the income inequality between districts in Aceh Province, the variables are limited to per capita income and the total population of each district which is measured for the 2010-2020 period.

### Sources and Methods of Data Collection

The data used in this study are secondary data. Secondary data are per capita income data, and Gross Regional Domestic Product obtained from the Central Statistics Agency of Aceh Province, BAPPEDA Aceh and a number of reports and literature, especially from several related agencies and institutions related to research topics such as the Regional Development Planning Agency which were analyzed from 2010 to 2020.

### Analysis Model

To see the direction of regional development inequality that occurs, the Williamson Coefficient Formula is used, namely (Azis: 2018: 106):

$$Vw = \frac{\sqrt{[\sum(\gamma_i - \gamma)^2 \cdot Fi / n]}}{\gamma}$$

Where

Vw = Williamson coefficient, values range between 0 and 1

Yi = Per capita income of district i

Y = Income per capita of Aceh Province

N = Total population of the entire province of Aceh fi = Total population of district i

Regional development is considered equitable if the value of the Williamson Coefficient is equal to zero or close to zero. And vice versa, development inequality will exist if the coefficient value is further away from zero. The occurrence of inequality can also be shown through the flow direction of the coefficient from year to year.

### Variable Operational Definition

This study has operational limits of variables according to their respective definitions, namely as follows

1. Income per capita is the amount of income received by the people of each district in Aceh Province on the basis of constant prices with Oil and Gas in 2010.
2. Total Population, namely the total population in each district and the entire population of Aceh Province measured in the number of people (people).

## Discussion

### Population Development

The government's attention to population began when the New Order government took control. The concept of "whole human development" which is nothing but the concept of "population development" has been implemented in Indonesia's systematic and targeted development planning since Repelita 1 in 1986. However, it is still far, even though in the development framework, the development concept is really based on population perspective. , the government has not been able to optimally implement and integrate the event.

Population development in Banda Aceh City shows a relatively significant increase in this matter, as can be seen in Table 3.

Table 3

*Total Population in Aceh Province 2010-2021 (In Soul)*

Year/District	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020
Simeulue	80.674	82.521	82.762	86.206	87.598	89.117	80.674	91372	92393	93228	95304
Aceh Singkil	102.509	104.856	107.781	110.108	112.161	114.518	102.509	119490	121681	124101	123842
Aceh Selatan	202.251	206.881	208.002	216.994	220.971	224.897	202.251	231893	235115	238081	242196
Aceh Tenggara	179.010	183.108	184.150	192.013	196.249	200.014	179.010	208481	212417	216495	216264
Aceh Timur	360.475	368.728	380.876	386.212	394.933	402.976	360.475	419594	427567	436081	436086
Aceh Tengah	175.527	179.546	182.680	188.214	192.204	196.090	175.527	204273	208505	212494	212120
Aceh Barat	173.558	177.532	182.495	185.903	190.244	193.791	173.558	201682	205971	210113	209500
Aceh Besar	351.418	359.464	371.412	376.491	384.618	392.584	351.418	409109	417302	425216	424433
Pidie	379.108	387.787	393.225	404.817	410.580	418.882	379.108	432599	439131	444976	447875
Bireuen	389.288	398.201	406.083	417.289	423.397	435.300	389.288	453224	461726	471635	470554
Aceh Utara	529.751	541.878	549.370	565.370	572.961	583.892	529.751	602554	611435	619407	622765
Aceh Barat Daya	126.036	128.922	131.087	135.385	138.140	140.689	126.036	145726	148111	150393	151826
Gayo Lues	79.560	81.382	82.962	84.717	86.262	87.881	79.560	91024	92602	94100	93945
Aceh Tamiang	251.914	257.681	261.125	269.007	272.228	278.324	251.914	287007	291112	295011	297389
Nagan Raya	139.663	142.861	146.243	149.397	152.352	155.070	139.663	161329	164483	167294	166795
Aceh Jaya	76.782	78.540	82.172	82.385	86.123	86.385	76.782	89618	91087	92892	94382
Bener Meriah	122.277	125.076	128.538	131.023	134.015	136.821	122.277	142526	145086	148175	148157
Pidie Jaya	132.956	136.000	138.415	142.887	145.584	148.719	132.956	154795	158091	161215	160866
Banda Aceh	223.446	228.562	238.784	239.404	249.499	250.303	223.446	259913	265111	270321	272202
Sabang	30.653	31.355	31.782	32.215	32.739	33.215	30.653	33978	34571	34874	34589
Langsa	148.945	152.355	154.722	159.761	162.814	165.890	148.945	171574	174318	176811	178667
Lhokseumawe	171.163	175.082	178.561	183.232	187.455	191.407	171.163	198980	203284	207202	207242
Subulussalam	67.446	68.990	70.707	72.103	73.708	75.188	67.446	78725	80215	81417	81094
Provinsi Aceh	4.494.410	4.597.308	4.693.934	4.811.133	4.906.835	5.001.953	4.494.410	5.189.465	5.281.314	5.371.532	5.388.093

Source: BPS Aceh in Figures, 2022 (data processed, 2022)

Table 3 illustrates that the development of the population in Aceh Province from 2010 to 2020 continues to increase, in 2010 the population in Aceh Province reached 4,494,410 people and in 2011 the population in Aceh Province increased to 4,597,308 people. In 2012 the population in Aceh Province again increased to 4,693,934 people. The population in Aceh Province in 2013 increased by 4,811,133 people. The total population in Aceh province until 2020 reaches 5,388,093 people. The development of the population in districts/cities in Aceh Province during the 2010-2020 period is relatively increasing every year.

### District/City GRDP Development Analysis in Aceh Province

Growth of Gross Regional Domestic Product can be used as a measuring tool to see the structure of the economy, whether an economy is experiencing growth or not. An economy is said to be experiencing growth if the level of economic activity achieved in a certain year is higher than the level of economic activity achieved in the previous year. For this purpose, data on Gross Regional Domestic Product at constant prices is used, so that it can reflect the output produced by the economy in a certain period.

Table 4

Development of Gross Regional Domestic Product on the basis of 2010 Constant Prices with Oil and Gas in 2010-2020 (Millions of Rupiah)

Year/District	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020
Simeulue	1.078.217,23	1.122.209,97	1.180.151,18	1.235.543,09	1.289.096,20	1.344.658,95	1.405.844,50	1.467.978,72	1.530.152,91	1.600.520,74	1.602.911,10
Aceh Singkil	1.211.045,20	1.263.085,52	1.315.931,49	1.374.981,24	1.426.081,18	1.479.141,62	1.540.654,21	1.600.982,80	1.664.740,25	1.731.165,27	1.711.084,18
Aceh Selatan	2.830.606,09	2.953.612,00	3.115.597,57	3.281.364,18	3.429.428,66	3.574.591,99	3.740.292,79	3.887.220,20	4.063.405,16	4.243.395,93	4.241.408,48
Aceh	2.337.741,73	2.464.463,12	2.578.093,04	2.704.181,31	2.807.992,31	2.921.131,03	3.044.879,93	3.197.952,08	3.302.242,16	3.442.064,32	3.436.343,94
Aceh Timur	7.290.035,94	7.479.287,21	7.677.933,91	7.761.221,13	7.721.422,49	7.259.933,93	7.175.794,70	7.487.534,96	7.802.174,64	8.146.902,30	8.292.591,42
Aceh Tengah	3.970.993,75	4.166.898,76	4.347.738,51	4.584.208,51	4.770.082,47	4.972.052,37	5.200.044,33	5.410.437,38	5.638.960,01	5.836.845,00	5.766.448,10
Aceh Barat	4.462.045,24	4.569.067,05	4.594.543,92	4.773.668,84	4.933.842,67	5.160.040,88	5.310.703,14	6.013.220,83	6.622.956,31	6.953.360,87	7.083.150,87
Aceh Besar	7.081.873,21	7.265.105,64	7.549.095,89	7.863.467,38	8.184.457,80	8.513.244,89	8.858.439,61	9.213.402,42	9.561.638,20	9.977.735,25	10.008.806,57
Pidie	5.329.053,77	5.550.233,24	5.801.221,00	6.046.953,19	6.290.579,19	6.594.085,42	6.849.960,14	7.152.962,37	7.450.405,47	7.780.357,55	7.769.640,81
Bireuen	7.126.511,10	7.397.629,76	7.689.706,30	7.999.503,72	8.171.310,73	8.481.897,32	8.824.935,88	9.197.930,54	9.586.141,56	0.065.327,74	9.970.576,95
Aceh Utara	17.200.433,05	17.867.553,66	18.151.766,38	17.836.613,02	17.195.546,12	15.184.776,41	15.195.569,01	15.544.942,83	16.286.459,23	6.852.696,94	17.015.452,78
Aceh Barat	2.236.931,95	2.303.125,75	2.347.145,07	2.401.899,42	2.428.320,02	2.509.313,89	2.623.750,51	2.740.778,26	2.867.190,99	3.003.268,21	2.987.564,72
Gayo Lues	1.389.536,60	1.452.757,23	1.531.658,63	1.590.759,84	1.652.368,85	1.717.272,62	1.788.140,34	1.872.227,20	1.896.150,44	1.920.005,24	1.936.869,01
Aceh Tamiang	4.406.760,48	4.474.076,21	4.651.203,15	4.885.618,65	5.002.816,77	5.134.529,77	5.279.640,30	5.491.009,34	5.724.227,89	5.984.418,53	6.009.374,16
Nagan Raya	4.573.878,13	4.693.587,95	4.867.307,17	5.032.698,40	5.204.811,58	5.422.070,43	5.641.779,01	5.864.576,48	6.116.408,73	6.530.496,72	6.761.947,06
Aceh Jaya	1.422.989,69	1.482.238,10	1.541.268,10	1.590.573,31	1.649.326,33	1.710.445,53	1.777.001,91	1.848.146,47	1.922.740,62	1.994.914,40	1.982.449,42
Bener Meriah	2.420.611,87	2.528.784,19	2.661.123,94	2.804.613,17	2.929.388,50	3.070.581,95	3.206.521,50	3.337.605,70	3.476.510,30	3.626.654,52	3.636.170,52
Pidie Jaya	1.765.903,55	1.838.921,60	1.918.490,82	2.005.778,79	2.078.513,20	2.179.210,93	2.259.852,90	2.390.844,34	2.501.506,33	2.603.588,96	2.574.732,43
Banda Aceh	313.379,80	335.526,31	359.403,42	384.899,81	415.521,12	446.064,30	478.954,72	522.854,28	543.850,28	597.275,19	654.528,10
Sabang	745.858,81	774.469,42	806.875,10	841.005,66	875.118,71	912.987,20	957.293,60	1.015.380,21	1.075.029,71	1.137.556,92	1.124.425,92
Langsa	2.609.185,06	2.722.522,92	2.851.123,22	2.981.532,24	3.107.821,08	3.244.671,74	3.390.389,66	3.540.718,30	3.694.086,90	3.856.219,21	3.815.194,93
Lhokseumawe	9.091.248,66	8.873.694,67	8.980.377,13	8.878.224,43	8.222.328,38	6.550.149,96	6.450.408,23	6.591.663,19	6.840.710,70	7.112.684,80	7.009.713,29
Subulussalam	901.694,31	940.710,93	984.713,31	1.033.527,95	1.086.364,85	1.134.378,60	1.187.583,71	1.246.119,26	1.301.178,46	1.358.687,66	1.385.406,73
Provinsi Aceh	101.545.236,83	104.874.211,16	108.914.897,62	111.755.826,56	113.490.359,40	112.665.532,27	116.374.299,89	121.240.978,72	126.824.365,24	32.074.250,80	31.585.017,16

Source: BPS Aceh in Figures, 2021 (data processed)

In Table 4 it can be seen the development of Gross Regional Domestic Product in Regencies/Cities in Aceh Province. In general, the Gross Regional Domestic Product in each Regency/City in Aceh Province fluctuates and increases every year. And there are differences in the value of the Gross Regional Domestic Product between each Regency/City in Aceh Province.

### Analysis of District/City Per capita Income Development in Aceh Province

Per capita income is the total gross national income in one year divided by the total population. Per capita income can be said as the level of prosperity of a country. The low per capita income will have an impact on the continuity of the implementation of development in an area. Some development plans will be difficult to realize because the government does not have sufficient budget to finance the implementation of development. As a result, the state of the country becomes static, does not develop because it does not progress.

To overcome the low level of income of the population, the government has taken several steps, including (1). Provide subsidies to poor families through various social programs. (2). Provide relief from education and health costs for the underprivileged. (3). Increase the standard of labor wages or the city's minimum wage. (4). Provide capital or soft loans and training to micro and small entrepreneurs in order to survive or develop further.

To find out the development of per capita income in Aceh Province, it can be seen in Table 5

Table 5

Development of Per Capita Income on The Basis of 2010 Constant Prices During the 2010-2021 Period (In Millions of Rupiah)

Year/District	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020
Simeulue	13,37	13,60	14,26	14,33	14,72	15,09	17,43	16,07	16,56	17,17	13,37
Aceh Singkil	11,81	12,05	12,21	12,49	12,71	12,92	15,03	13,40	13,68	13,95	11,81
Aceh Selatan	14,00	14,28	14,98	15,12	15,52	15,89	18,49	16,76	17,28	17,82	14,00
Aceh Tenggara	13,06	13,46	14,00	14,08	14,31	14,60	17,01	15,34	15,55	15,90	13,06
Aceh Timur	20,22	20,28	20,16	20,10	19,55	18,02	19,91	17,84	18,25	18,68	20,22
Aceh Tengah	22,62	23,21	23,80	24,36	24,82	25,36	29,63	26,49	27,04	27,47	22,62
Aceh Barat	25,71	25,74	25,18	25,68	25,93	26,63	30,60	29,82	32,15	33,09	25,71
Aceh Besar	20,15	20,21	20,33	20,89	21,28	21,69	25,21	22,52	22,91	23,47	20,15
Pidie	14,06	14,31	14,75	14,94	15,32	15,74	18,07	16,53	16,97	17,48	14,06
Bireuen	18,31	18,58	18,94	19,17	19,30	19,49	22,67	20,29	20,76	21,34	18,31
Aceh Utara	32,47	32,97	33,04	31,55	30,01	26,01	28,68	25,80	26,64	27,21	32,47
Aceh Barat Daya	17,75	17,86	17,91	17,74	17,58	17,84	20,82	18,81	19,36	19,97	17,75
Gayo Lues	17,47	17,85	18,46	18,78	19,16	19,54	22,48	20,57	20,48	20,40	17,47
Aceh Tamiang	17,49	17,36	17,81	18,16	18,38	18,45	20,96	19,13	19,66	20,29	17,49
Nagan Raya	32,75	32,85	33,28	33,69	34,16	34,97	40,40	36,35	37,19	39,04	32,75
Aceh Jaya	18,53	18,87	18,76	19,31	19,15	19,80	23,14	20,62	21,11	21,48	18,53
Bener Meriah	19,80	20,22	20,70	21,41	21,86	22,44	26,22	23,42	23,96	24,48	19,80
Pidie Jaya	13,28	13,52	13,86	14,04	14,28	14,65	17,00	15,45	15,82	16,15	13,28
Banda Aceh	1,40	1,47	1,51	1,61	1,67	1,78	2,14	2,01	2,05	2,21	1,40
Sabang	24,33	24,70	25,39	26,11	26,73	27,49	31,23	29,88	31,10	32,62	24,33
Langsa	17,52	17,87	18,43	18,66	19,09	19,56	22,76	20,64	21,19	21,81	17,52
Lhokseumawe	53,11	50,68	50,29	48,45	43,86	34,22	37,69	33,13	33,65	34,33	53,11
Subulussalam	13,37	13,64	13,93	14,33	14,74	15,09	17,61	15,83	16,22	16,69	13,37
Provinsi Aceh	22,59	22,81	23,20	23,23	23,13	22,52	25,89	23,36	24,01	24,59	22,59

Source: BPS Aceh in Figures, 2022 (data processed)

Table 5 describes the development of income per capita in districts/cities in Aceh province. The first order of regencies/cities in Aceh Province with the largest per capita income is the city of Lhokseumawe, then followed by the second place, namely Nagan Raya, the third place is Aceh Barat, and the fourth is Sabang. Overall, the development of people's per capita income in districts/cities in Aceh Province during the 2010-2020 period is relatively fluctuating and increasing.

### District/City Income Inequality Analysis in Aceh Province

To find out income inequality between districts/cities in Aceh province, the Williamson coefficient formula is used. From the results of the study obtained the Williamson coefficient as shown in Table 6.

Table 6

*District/City Williamson Coefficient in Aceh Province 2010-2021 period*

Year/District	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020	Rerata
Simeulue	0,029792	0,029125	0,028271	0,027805	0,027213	0,026667	0,029790	0,025552	0,025027	0,024509	0,024834	0,027144
Aceh Singkil	0,033585	0,032833	0,032265	0,031427	0,030795	0,030233	0,033583	0,029224	0,028724	0,028281	0,028313	0,030842
Aceh Selatan	0,047170	0,046114	0,044818	0,044113	0,043219	0,042362	0,047166	0,040705	0,039922	0,039165	0,039589	0,043122
Aceh Tenggara	0,044379	0,043385	0,042171	0,041498	0,040732	0,039952	0,044376	0,038598	0,037949	0,037350	0,037412	0,040709
Aceh Timur	0,062956	0,061548	0,060633	0,058839	0,057769	0,056700	0,062964	0,054752	0,053834	0,053004	0,053119	0,057829
Aceh Tengah	0,043927	0,042943	0,041985	0,041068	0,040291	0,039539	0,043920	0,038188	0,037580	0,036986	0,037034	0,040315
Aceh Barat	0,043674	0,042697	0,041961	0,040812	0,040084	0,039305	0,043672	0,037940	0,037343	0,036770	0,036795	0,040096
Aceh Besar	0,062161	0,060770	0,059875	0,058092	0,057005	0,055955	0,062156	0,054053	0,053174	0,052329	0,052394	0,057087
Pidie	0,064581	0,063135	0,061622	0,060253	0,058913	0,057814	0,064576	0,055597	0,054560	0,053544	0,053835	0,058948
Bireuen	0,065430	0,063965	0,062611	0,061163	0,059815	0,058926	0,065425	0,056898	0,055938	0,055116	0,055173	0,060042
Aceh Utara	0,076279	0,074571	0,072779	0,071155	0,069550	0,068227	0,076304	0,065589	0,064355	0,063148	0,063456	0,069583
Aceh Barat Daya	0,037230	0,036397	0,035575	0,034840	0,034169	0,033502	0,037230	0,032265	0,031683	0,031125	0,031342	0,034124
Gayo Lues	0,029580	0,028918	0,028300	0,027559	0,026999	0,026477	0,029577	0,025498	0,025051	0,024620	0,024653	0,027021
Aceh Tamiang	0,052636	0,051458	0,050209	0,049110	0,047964	0,047121	0,052634	0,045280	0,044418	0,043593	0,043863	0,048026
Nagan Raya	0,039165	0,038289	0,037550	0,036574	0,035857	0,035146	0,039161	0,033923	0,033364	0,032802	0,032822	0,035878
Aceh Jaya	0,029058	0,028407	0,028165	0,027176	0,026977	0,026250	0,029056	0,025301	0,024845	0,024460	0,024710	0,026764
Bener Meriah	0,036668	0,035846	0,035223	0,034269	0,033648	0,033032	0,036663	0,031903	0,031352	0,030889	0,030954	0,033677
Pidie Jaya	0,038246	0,037390	0,036562	0,035798	0,035082	0,034450	0,038244	0,033259	0,032738	0,032231	0,032266	0,035115
Banda Aceh	0,049608	0,048497	0,048047	0,046362	0,045952	0,044719	0,049607	0,043121	0,042419	0,041759	0,041995	0,045644
Sabang	0,018355	0,017944	0,017511	0,016989	0,016628	0,016271	0,018353	0,015573	0,015300	0,014981	0,014952	0,016623
Langsa	0,040473	0,039567	0,038648	0,037846	0,037092	0,036377	0,040469	0,035007	0,034370	0,033746	0,033997	0,037054
Lhokseumawe	0,043319	0,042354	0,041462	0,040478	0,039758	0,039049	0,043357	0,037679	0,037096	0,036513	0,036596	0,039787
Subulussalam	0,027240	0,026630	0,026132	0,025429	0,024962	0,024495	0,027238	0,023718	0,023320	0,022904	0,022908	0,024998

Source: BPS Aceh in Figures, 2022 (data processed)

Table 6 illustrates that the income balance between districts/cities in Aceh Province on average during the 2010-2021 period is towards equity. However, among the 23 regencies/cities in Aceh Province, the most unequal per capita incomes with a Williamson coefficient value above 0.05 are the districts of Bireun, Lhokseumawe, Aceh Besar, Pidie and Aceh Timur.

### Analysis of the Development of the Number of Poor People in Regencies/Cities in Aceh Province

Evaluation of poverty alleviation programs, among others, can be carried out on the planning approach, the development model used and the implementation of the program. The criteria used to evaluate the implementation of the poverty alleviation program include: setting targets and data used to determine targets; the role of local governments, the general public and program target recipients; and program implementation at the government and community levels. To find out the development of poverty levels in districts/cities in Aceh province, see Table 7.



Table 7

Number of District/City Poor Population in Aceh Province 2010-2021 Period (Thousands of Souls)

Year/District	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020
Simeulue	18,9	19,04	18,5	17,8	17,5	18,12	17,93	18,4	18,22	17,67	17,34
Aceh Singkil	19,9	19,94	19,38	20,7	20	24,84	25,09	26,27	25,74	25,66	25,43
Aceh Selatan	32,2	32,27	31,45	29,3	28,4	29,61	30,68	32,51	32,82	31,06	30,91
Aceh Tenggara	30	30,16	29,41	27,8	27,1	30,14	29,39	30,84	30,2	28,93	28,98
Aceh Timur	66,5	66,74	64,95	64,4	63	63,48	61,63	63,67	61,64	62,79	62,34
Aceh Tengah	35,3	35,37	34,47	33,6	32,8	34,26	33,16	34,24	32,31	32,78	32,48
Aceh Barat	42,4	42,49	41,38	44,3	43,9	41,36	40,11	40,72	39,56	39,29	39,06
Aceh Besar	66,2	66,34	64,56	63,9	62,4	62,27	62,03	62,72	60,08	58,9	59,70
Pidie	90,2	90,39	88,02	85,8	83,7	88,22	90,16	92,35	89,53	86,29	86,39
Bireuen	76,1	76,26	74,3	73,9	72,2	73,14	70,44	71,54	65,74	63,6	62,42
Aceh Utara	124,4	124,66	121,42	115,4	112,7	111,44	115,05	118,74	111,27	107,34	106,41
Aceh Barat Daya	25,2	25,25	24,64	25,7	25	25,93	25,73	26,57	25,23	24,36	24,21
Gayo Lues	19	19,14	18,6	19	18,6	19,32	19,48	19,91	19,09	18,63	18,42
Aceh Tamiang	45,2	45,3	44,11	40,8	39,9	40,38	40,88	42,01	41,21	39,35	38,93
Nagan Raya	33,4	33,57	32,72	32,7	31,9	31,32	30,31	31,06	31,06	29,93	29,99
Aceh Jaya	15,6	15,63	15,19	14,6	14,2	13,85	13,1	13,23	12,85	12,35	12,11
Bener Meriah	32,1	32,17	31,35	30,9	30,2	29,31	29,82	29,99	29,08	28,45	28,38
Pidie Jaya	34,7	34,77	33,89	32,6	31,9	31,81	31,94	33,6	31,72	30,97	31,39
Banda Aceh	20,8	20,84	20,25	19,4	19,4	19,3	18,8	19,23	19,13	19,42	18,97
Sabang	6,6	6,71	6,52	5,9	5,6	5,86	5,81	5,98	5,62	5,43	5,27
Langsa	22,4	22,45	21,81	20,3	19,8	19,22	18,63	19,2	18,73	18,62	18,65
Lhokseumawe	24	24,15	23,56	23	22,5	23,15	23,28	24,4	23,88	23,05	22,69
Subulussalam	16,4	16,53	16,07	15	14,6	15,25	14,99	15,44	14,78	14,56	14,46
	897,5	900,17	876,55	856,8	837,3	851,58	848,44	872,62	839,49	819,43	814,93

Source: BPS NAD, Aceh in Figures, 2022 (data processed)

Table 7 illustrates the number of poor people in the District/City of Aceh Province, showing a fluctuating and relatively declining development. The highest number of poor people is in North Aceh Regency, the second highest is in Pidie Regency, the third is in East Aceh, and the fourth is Bireuen Regency.

### Analysis of the Effect of Inequality on Poverty Levels in Aceh Province

The problem of income inequality is not only faced by middle-income countries developing countries, but even developed countries cannot be separated from this problem. The difference lies in the proportion or the size of the level of inequality that exists occurs, as well as the level of difficulty in overcoming it which is influenced by the area and total population. To achieve the goal of increasing income distribution is the implementation of economic development.

To analyze the effect of inequality on the level of poverty in Aceh Province, it is analyzed using a regression model. For more details can be seen in Table 8.

### Regression Results

Model	Unstandardized Coefficients		R	R Square	t	Sig.
	B	Std. Error				
(Constant)	6,401	,113			56,780	,000
1	8,664	2,781	,720 <sup>a</sup>	,519	3,116	,012

a. Dependent Variable: Kemiskinan

Source: Data Processing Results, (Data Processed, 2022)

Based on the table above, it is obtained that the level of income inequality has a positive effect on poverty, meaning that every increase in inequality will increase the level of poverty. From the results of the study, the value of the inequality regression coefficient was obtained at 8.664 meaning that every 1 percent increase in inequality will increase poverty by 8.664 percent in Aceh Province. The constant value of 6.401 indicates that the poverty rate in Aceh Province without poverty is 6.401 percent.

The effect of inequality on the poverty rate in Aceh Province is 51.9 percent and the remaining 48.1 percent is influenced by other variables outside this research model.

## **Conclusion and Suggestion**

### **Conclusion**

- a. Of the 23 districts/cities in Aceh Province, the most evenly distributed per capita income with a Williamson coefficient below 0.05 is Aceh Singkil, South Aceh, Sabang, Langsa, Subulussalam, Aceh Tamiang, Nagan Raya, Bener Meriah, Gayo Lues, Central Aceh, Aceh Barat, Aceh Besar, Bireuen and Southwest Aceh Districts.
- b. The second order of regencies/cities with a fairly even level of income distribution and having a Williamson coefficient value between 0.05-0.09 is Simeulue Regency, Southeast Aceh, Pidie, North Aceh, Aceh Jaya and Pidie Jaya.
- c. The third order of regencies/cities with income distribution is uneven and has a Williamson coefficient value above 0.10 is East Aceh District, Lhokseumawe City and Banda Aceh City.
- d. It turns out that income inequality increases the level of poverty that occurs in Aceh Province

### **Suggestion**

- a. The most even level of income distribution is in Simeulue District, Aceh Singkil, South Aceh, Southeast Aceh, Central Aceh, West Aceh, Southwest Aceh, Gayo Lues, Aceh Tamiang, Nagan Raya, Aceh Jaya, Bener Meriah, Pidie Jaya, Banda Aceh, Sabang, Langsa, Lhokseumawe, Subulussalam. The hope is for the local government to be able to maintain and continue to increase the income of the community evenly in the future
- b. Regions that have high inequality, such as the districts of Bireun, Lhokseumawe, Aceh Besar, Pidie and Aceh Timur should be able to carry out empowerment programs for people who are quite lagging behind so that with this program they can increase their income which in the end the income gap can be minimized.
- c. It is hoped that local governments can identify all the potential resources contained in their respective regions and then explore them to increase the Gross Regional Domestic Product, so that in turn it can increase per capita income itself and will reduce the number of poor people.

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