



Economic growth and regional income distribution in Semarang district in 1999-2003

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ABSTRACT

This study aims, To determine the development of the GRDP structure in each sector in Semarang Regency from 1999-2003, To find out the factors inhibiting and supporting the development of the agricultural sector and the industrial sector in Semarang Regency, To find out the distribution of income distribution in Semarang Regency by including the industrial sector and without the industrial sector. This type of research data is using secondary data and primary data. There are two variables studied in this study, namely: Economic growth, and regional income distribution in Semarang Regency in 1999-2003. The technique in collecting data used in this study is the documentation method. The main data used is secondary data based on time series data. The results showed that the development of the PDRB structure of Semarang Regency in 1999-2003 was dominated by four sectors, two of which were the most potential sectors, namely the industrial and services sectors. Based on the LQ method, the industrial sector, the electricity sector, the financial institution sector and the services sector are sectors that have the potential to be developed. Meanwhile, based on the shift share analysis method, the services sector, the construction sector, the electricity sector and the agricultural sector are sectors that are growing faster than the same sector in Central Java province, because their contribution is positive. While the GRDP growth in Semarang Regency is negative, this means that the GRDP growth is slower than the GRDP growth in Central Java Province.

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1. INTRODUCTION

The implementation of national development basically aims to create a better order of economic, social and political life in the future. Therefore, in preparing development programs, the starting point must be based on development issues, both those that support the pace of development and those that hinder development so that a national development strategy or regional development can be formulated.

Economic growth is the change in the level of economic activity from year to year, therefore, to determine the level of economic growth, we must calculate the rate of economic growth. While

economic growth in principle must be enjoyed by the population, high economic growth may not necessarily be enjoyed by the population if population growth is much higher.

Economic growth is a change in the level of economic activity that takes place from year to year. To find out the level of economic growth, income from various years must be compared, which is calculated based on current prices or constant prices. So that changes in the value of income are only caused by a change in the level of economic activity. An economy is said to experience a change in its development if the level of economic activity is higher than that achieved in the past.

The problem of income distribution contains two aspects, the first aspect is how to raise the standard of living of those who are still below the poverty line, while the second aspect is the overall distribution of income, in the sense of differences in income between residents/between households. In other words, the first aspect is a matter of the absolute poverty level, while the second aspect is more related to income distribution. The success of overcoming the first aspect can be seen from the decrease in the percentage of the population that is still below the poverty line. This success can improve overall income distribution if the rate of increase in income for the poor is greater than the rate of increase for the income of the rich.

It is not enough to overcome income distribution if you only rely on economic growth in the hope that the national income will trickle down, it is necessary to make as much effort as possible to overcome this income distribution problem. By focusing more on the quality of the development process, the problem of income distribution is increasingly felt due to the rapid economic growth during the New Order which was not followed by an equal distribution of income.

Meanwhile, in the economic development of a region, polemics always arise in determining the basic development strategy, namely choosing a line of economic growth or income distribution. Some economists argue that the rapid rate of economic growth can no longer be used to reduce poverty. While poverty is a reality in economic life in developing countries. On the other hand, in developed countries, the enthusiasm to increase income is the most important goal of all economic activities. The high economic growth of a region does not guarantee equal distribution of income, but fast economic growth is still considered a superior strategy in economic development.

The need for steps to review all development priorities in Semarang Regency is increasingly being felt. Even though the rate of economic growth does not automatically provide answers to various welfare problems, it is still an important element in every regional development program. In essence, regional development is recommended not only to focus on economic growth but also to consider how the development is distributed. So far, economic growth and development results have not been enjoyed in a fair and equitable manner by the entire community, so the problem of income distribution has arisen. This happens because there are differences in opportunities to participate in development.

2. RESEARCH METHOD

The data used in this study are secondary data, namely data obtained from other parties or data that has been processed or published by various government agencies and primary data, namely data taken directly at the place under study. While the main data used in this research is secondary data based on time series data for the period 1999-2003. The sample is part or representative of the population being studied. While the sampling technique is purposive sample, namely the sampling method is based on the existence of a specific purpose. The sample in this study is GRDP at current prices from 1999-2003. While the analysis explained the research results obtained from the calculation of the Williamson Index, LQ and Shift Share.

3. RESULTS AND DISCUSSIONS

Research result

1. Geographical condition of Semarang Regency

Semarang Regency as one of the Regencies in Central Java Province is geographically located at 110° 14' 54.75" to 110° 39' 3" East Longitude and 7° 3' 57"-7° 30' South Latitude. Semarang Regency is administratively bordered by Semarang City and Demak Regency in the North, Grobogan Regency in the East, Boyolali Regency and Magelang Regency in the South, Kendal Regency and Temanggung Regency in the West. Meanwhile, Salatiga City is in the middle of the Semarang Regency area. The

average altitude of places in Semarang Regency is 607 m above sea level, the lowest area is in Candirejo Village, Ungaran District and the highest area is in Batur Village, Getasan District.

2. Population

The population of Semarang Regency in 2003 was 844,889 people with a population growth rate of 0.45 percent. From the results of the registration number, it was obtained that the sex ratio of the population of Semarang Regency was still below 100%, namely 98.23%. This shows that the female population is more than the male population. In line with the increase in population, the population density within five years (1999-2003) tended to increase, in 2003 it was recorded at 889 people per square kilometer, the population which continued to increase every year was not matched by an even distribution of population distribution. Population density in sub-districts whose territory is mostly urban has a higher population density compared to sub-districts whose territory is still a rural area. The densest areas were recorded in Tengaran, Ambarawa and Ungaran with densities of 1,204, 1,486 and 1,561 people/km respectively.

Labor is one of the capital in the development of the wheel of development. The number and composition of the workforce will continue to change in line with the ongoing demographic process. Based on data from the Population and Labor Office of Semarang Regency, the number of registered job seekers in 2003 totaled 13,700 people. Applicants for the extension and granting of work permits to foreign nationals during 2003 experienced a significant increase, namely as many as 114 people consisting of 103 men and 11 women.

3. Government

Administratively, the Semarang Regency area in 2003 was divided into 17 sub-districts, the area consisted of 207 villages, 28 sub-districts, 1,513 Neighborhood Units (RW) and 6,203 Neighborhood Units (RT). While the number of village infrastructure up to 2003 reached 526 units consisting of 311 units of transportation infrastructure, 48 units of education and health, 26 units of economic infrastructure, 141 units of social infrastructure.

For the number of Civil Servants (PNS) in the government environment of Semarang Regency in December 2003, there were 10,062 people. The number of employees according to their education level was 553 people who graduated/didn't finish elementary school (5.50 percent), 490 people from junior high school (4.87 percent), 3,045 people from high school (30.26 percent), 3,499 diplomas/graduate graduates. (34.77 percent), 2,409 undergraduate graduates (23.94 percent) and 66 undergraduate graduates (0.66 percent). Based on data from the Semarang District Land Office in 2003, 3,577 PPAT deeds were made, most of which were 86.89 percent property rights and 13.11 percent building rights.

4. Social

Health is a problem that needs attention from various parties. Availability of adequate health facilities is needed in an effort to improve the health and nutritional status of the community. The health facilities in question include General Hospitals, Puskesmas, Sub-Puskesmas, Treatment Centers, BKIA and Maternity Homes. The number of health facilities in Semarang Regency remained largely unchanged compared to the previous year, the health facilities that experienced changes were the Medical Centers which decreased by 20 percent. While the number of existing medical personnel also decreased for the number of doctors, dentists, general nurses, midwives, while the number of nurses remained unchanged.

5. Agriculture

Food crop agriculture has a harvest area and rice crop production in Semarang Regency in 2003 decreased compared to the previous year. The decrease in rice harvested area affected rice production, while the decrease in rice harvested area decreased by 8.40 percent and rice production fell 14.94 percent from the previous year. In general, the harvested area and production of secondary crops in Semarang Regency in 2003 also decreased compared to the previous situation. The corn harvested area decreased by 1.69 percent while production also decreased by 5.24 percent from the previous year. The harvested area of cassava production decreased by 11.60 percent and 34.04 percent, the harvested area

and soybean production also decreased, while on the other hand sweet potatoes and peanuts experienced an increase in both production and harvested area.

The production of several vegetable crops (lombok, cabbage, cucumber, garlic, tomato, string beans, mustard greens, eggplant, chayote, spinach, long beans, celery, potatoes) decreased from the previous year, for the production of shallots, leeks, carrots, petai, melinjo and kale experienced an increase from the previous year. Several fruit productions (rambut, durian, guava, guava, sapodilla, papaya, banana, mangosteen, soursop, salak, breadfruit, longan) also experienced a decline compared to 2002, while production of avocado, mango, duku, orange, melinjo, pineapple and breadfruit increased compared to 2002.

6. Trading

The market functions as one of the means that plays a role in the distribution of goods. As a place for distributing goods in 2003, Semarang Regency had 3 shopping centers, 42 public markets, 4 animal markets, and 1 others. When compared to the previous year there were 3 shopping centers that did not exist in 2002, the number of public markets has decreased while the animal market has remained the same.

As for cooperatives, which are often called the pillars of the Indonesian economy, are increasingly showing their role in improving people's welfare. The number of cooperatives in Semarang Regency in 2002 was 137 units with 93,842 members. The number of cooperatives was divided into 14 KUD and 123 non-KUD. Compared to 2001, the activities of cooperatives, especially KUDs, generally experienced an increase, other than in the development of small entrepreneurs and food procurement, while the distribution of fertilizers decreased by 2.6 percent.

Discussion result

1. The development of the PDRB structure of Semarang Regency

a. industrial sector

The industrial sector in Semarang Regency has a very large role in the development of the PDRB structure of Semarang Regency, this can be seen in the development of the industrial sector's contribution to the Semarang Regency's GRDP whose development can be seen in the contribution rate of the industrial sector of 41.46 percent in 1999 then decreased by 40.89 percent in 2000, and in 2001 the contribution of the industrial sector to GRDP was the highest at 41.49 percent, but in 2003 the contribution of the industrial sector to GRDP decreased to 41.48 percent, so that the industrial sector ranked first in the contribution to the development of the PDRB structure of Semarang Regency in 1999-2003.

Based on LQ analysis in 1999-2003, the industrial sector showed LQ values above one ($LQ > 1$) namely (1.42), (1.43), (1.42), (1.37), (1, 37). This means that the industrial sector is a sector with high potential/base sector. While the LQ value is more than one, this means that the industrial sector has been able to meet the needs of the people of Semarang Regency.

b. Agricultural sector

The development of the agricultural sector's contribution to GRDP in 1999 amounted to 21.09 percent in 2000 and even reached the highest rate of 21.83 percent, but in 2001-2003 the contribution of the agricultural sector to GRDP decreased to 20.26 percent, 20, 59 percent, 19.08 percent. Even though the agricultural sector has decreased every year, in the development of the GRDP structure it still ranks second in its contribution to the GRDP of Semarang district in 1999-2003.

Calculation of shift share analysis during 1999-2001, in the agricultural sector showed the value of the Dj component of -14,841,807, -30,186,201, this shows that the agricultural sector during 1999-2001 was a sector whose GRDP growth was slower than the province of Java Middle which is due to decreased competitiveness. Whereas in 2001-2003 the agricultural sector showed the value of the Dj component of 31,814,406, 3,868,775.3, this shows that the agricultural sector during 2001-2003 was a sector with faster GRDP growth than Central Java province due to competitiveness. increase. From the calculation of the analysis above, the agricultural sector is a sector that has no potential (low) to be developed because it is not a leading sector / sector base.

c. Trade, restaurant and accommodation services sector

The development of the contribution of the restaurant trade sector and accommodation services in 1999-2003 amounted to (18.05), (17.84), (18.01), (17.89), (17.95) percent. In 1999, 18.05 percent was the highest figure during the 1999-2003 period. This shows that this sector is a sector that makes a major contribution to the development of the PDRB structure of Semarang Regency. This sector ranks third in the development of the PDRB structure of Semarang Regency.

Calculation of shift share analysis during 1999-2003, in the restaurant trade and accommodation services sector showed that the value of the DJ component was always negative, this indicated that the restaurant trade and accommodation services sector during 1999-2003 was a sector whose GRDP growth was slower than Central Java province due to decreased competitiveness. From the calculation of the analysis above, the restaurant trade and accommodation services sector is a sector that has no (low) potential for development because it is not a leading sector / base sector.

d. Financial institutions leasing sector and corporate services

The contribution of the leasing financial institution sector and corporate services in 1999-2003 ranged from 3.71 to 3.89 percent. The development of the highest contribution was in 2002 while the lowest contribution was in 2000. In 1999-2003, this sector was the sector that ranked first (in the development of GRDP structure below 10 percent) and the sector ranked fifth out of the nine sectors in its contribution to GRDP of Semarang Regency.

Based on LQ analysis in 1999-2003, the leasing financial institution sector and corporate services showed LQ values above number one ($LQ > 1$) namely (1.05), (1.01), (1.02), (1.05), (1.03). This means that the leasing financial institution sector and corporate services are included in the high potential / base sector. While the LQ value is more than one, this means that this sector has been able to meet the needs of the people of Semarang Regency.

e. Transport and communication sector

The contribution of the transportation and communication sector in 2003 was 2.91 percent which was the highest figure during 1999-2003. This sector is a sector that contributes under 10 percent to the development of the GRDP structure of Semarang Regency. This sector is the sector that only ranks second (in the development of the GRDP structure below 10 percent) and the sector that ranks sixth out of the nine sectors in the contribution to the development of the PDRB structure of Semarang Regency.

Shift share analysis calculations during the years 1999-2003, in the transport and communication sector showed the DJ component values of -4,455,220, -2,080,204.6, -5,775,291, -4,431,366 this shows that this sector is a sector that GRDP growth is slower than Central Java province due to decreased competitiveness. From the calculation of the analysis above, the transportation and communication sector is a sector that has no (low) potential to be developed because it is not a leading sector / base.

f. Construction sector

The construction sector in Semarang Regency has a small role, this can be seen in the development of the construction sector's contribution to the GRDP of Semarang Regency. In 1999 the contribution of the construction sector reached its highest figure of 1.57 percent and in 2003 it decreased to 1.55 percent. In 1999-2003 it always ranked third (in the development of the GRDP structure below 10 percent) and the sector ranked seventh out of the nine sectors in its contribution to the GRDP of Semarang Regency.

Based on LQ analysis for the last 5 years (1999-2003), this sector shows LQ values below number one, namely (0.40), (0.33), (0.36), (0.40), (0.39). This means that this sector includes sectors that have not been able to meet the needs of the local community so that they have the potential to import from other regions.

2. The distribution of regional income distribution in Semarang Regency

By using the HT criteria. Oshima as the basis for the analysis, the interpretation of the results of the calculation of the Williamson Index by including the industrial sector will be compared with the results of the calculation of the Williamson Index without including the industrial sector. The results

of the Williamson Index calculation without including the industrial sector show that there is an equal distribution of regional income or the Williamson Index test shows a value between 0 to 1 with small results so that the level of inequality between regions will be smaller, but if you include the industrial sector, it can be seen that the distribution is even. In the two sub-districts, income inequality is increasing or there is income inequality in the distribution of regional income.

The Williamson Index analysis shows that the industrial sector tends to increase the inequality in the distribution of people's income between sub-districts. This happened because the existing industrial sector was only centered in a few sub-districts in Semarang Regency, so that only those sub-districts could enjoy the benefits. Thus the unequal distribution of income distribution will be even higher, therefore in addition to the industrial sector being developed it is also necessary to identify lagging sub-districts in Semarang Regency so that it can be made a development priority by the local government, especially the industrial sector and other sectors that can be used as potential sectors. or the base sector in each sub-district of Semarang Regency.

4. CONCLUSION

Based on the results of the research and discussion it can be concluded that the development of the GRDP structure on the basis of current prices from 1999-2003 was dominated by the industrial sector, the agricultural sector, the trade sector, restaurants and accommodation services, the services sector. While the most potential and strategic economic sectors to be developed in order to spur and support Semarang Regency's economic growth are 2 sectors, namely the industrial sector and the services sector. Meanwhile, GRDP growth in Semarang Regency is slower than GRDP growth in Central Java Province. In general, the contribution of the agricultural sector and the industrial sector has decreased due to factors that hinder its development. One of the factors hindering the development of the agricultural sector is the change in the function of agricultural land to non-agricultural land which is out of control. Meanwhile, one of the factors hindering the development of the industrial sector is inadequate economic stability. To increase its contribution local government needs.

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