



Income Inequality in West Java 2017–2021

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Abstract. Economic development is vital in each region, especially in improving regional problems. However, differences in total population, the minimum wage in the district/city, the human development index, the rate of open unemployment, and poverty can cause problems, one of which is income inequality. This study aims to analyze the effect of the number of residents, the minimum wage, the human development index, the level of open unemployment, and poverty on income inequality in 27 districts/cities in West Java from 2017 to 2021. The methodology used in this research is panel data (time series and cross-sectional) in 27 communities/cities in West Java for the 2017–2021 period. The model of choice used for this study is the fixed effect model (FEM). The results of this study show that population, wages, minimum district/city, and poverty are influential factors in income inequality. On the other hand, the human development index and the open unemployment rate have no significant impact on this survey.

Keywords: Total Population · The Minimum Wage in The District/City · Human Development · The Rate of Open Unemployment · Poverty · Income Inequality · Panel Data

1 Introduction

West Java is one of the provinces in Indonesia that is trying to achieve equitable national and regional development globally, and Indonesia is currently implementing it as a developing country in the world. The achievement of regional development can be seen from one of the factors of economic development. Each region must set a high growth or income distribution level to achieve its development goals. A region's economic development is measured by the welfare of individuals, which is marked by an increase in consumption and income for the community itself [1]. The economy in an area cannot guarantee equal pay, but fast economic growth is the primary strategy in economic development. Growth at a high economic development stage is achievable along with problems like poverty, unemployment, structural imbalances, or income distribution lame [2].

The problem of inequality in development cannot be eliminated even though economic growth has developed rapidly. The growth-fast-paced economy creates an imbalance and the distribution of income. It is because economic growth is not always directly proportional to equity [3]. The income aspect forms a group presence for the middle class

above the income height and a class intermediate to lower income level. The spatial dimension, which makes developed areas and those not yet set, and aspects of sectors that lead to significant and unprofitable sectors, are both visible. The causes of regional inequality are basically due to differences in natural resources, human resource content, and condition demographics, which causes lag area, resulting in a disparity in income distribution between areas.

Economic growth does not directly improve the standard of living of its people. Another is called the “trickle-down effect.” For the poor growth benefits, the economy needs to be fixed. If equity does not occur, only middle and upper-class people will enjoy the help of this economic growth [4]. Kuznets put forward that income distribution tends to get worse in the stages of a growing economy. In other words, the disparity is high. However, in the next step, something reverses. The hypothesis of this is known as Kuznets “Inverted-U” hypothesis. By changing chain income distribution with coefficient size Gini and GDP growth per capita, it is visible as a curve with a U shape backward. According to Kuznets, increasing economic growth in a region goes along with an increase in income distribution [4]. The measuring instrument used for measuring inequality in income distribution is the Gini Coefficient, depicted in the Lorenz curve.

The Gini Index is a measure of evenness calculated by comparing the area between the diagonal and the Lorenz curve. The amount of income a recipient is on the horizontal axis, while the total income is expressed by the vertical axis received for each presentation group [5]. Increasing the Lorenz curve distance from the line diagonal (perfect line equality) results in a lame income distribution [6]. The Gini coefficient size for countries with an extensive income distribution is between 0.50 and 0.70, while the Gini coefficient size for countries with a relatively even income distribution is between 0.20 and 0.35 [6].

West Java is one of the provinces in Indonesia that consists of 27 districts/cities not free from problems of inequality in economic development. Therefore, in practice, the development process is shown to equalize the economy by curbing the value development gap by maximizing economic sectors' competitive and superior value in each developed area. [7] has released the assessment results of the level of inequality in the economy (Gini ratio) in Java West.

The Gini curve has fluctuated in West Java from March 2017 to 2021. On the moon in March 2017, the Gini figure of 0.403, then down to 0.393 in September 2017. From March until September 2018, the value of the rate fell to 0.393. The Gini ratio decreased from 0.407 to 0.405. Then in March 2019, the Gini rate of 0.403, and in September, 0.398. 0.398 is Gini's lowest rate from 2017 to the year 2020. From March until September 2020, the Gini rate is still valid for the previous year. In March 2021, the Gini ratio reached the last year's highest, 0.412.

There is an unequal population distribution, which causes inequality in Java Province West. The most significant population is in the district of Bogor, with a total of 4,966,621 souls (11.03%). In contrast, the smallest population is in Banjar, with 192,903 people (0.43%). The total population in Bogor, Bogor City, Regency Bekasi, City Bekasi, and Depok City amounted to 11,930,991, or 26% of the total population of West Java. Based on these data, a quarter of the people of West Java live in the buffer zone capital.

Temporary in Bandung Raya (Bandung Regency, Bandung West Regency, Bandung City, and City Cimahi) has a population of 8,670,501, or 18% of the total population of West Java, which means almost one-fifth of the people of West Java is in Bandung Raya [2].

West Java is the most populous province on the island of Java, with a high unemployment rate compared with the national average. Released by the Central Statistics Agency, the August 2021 Open Unemployment Rate was said to be 9.82%, down 0.64% from August 2020. Although it decreased by 0.64%, this figure is high compared to other provinces. West Java is included in the category of moderate inequality. Still, West Java HDI for 2016 was high and ranked 10th nationally according to DIY, Kepulauan Riau, Riau, Banten, West Sumatra, DKI Jakarta, Bali, East Kalimantan, and North Sulawesi. In 2019, the Human Development Index in West Java Province reached 72.03%, up from the 2018 figure of 0.739, or 71.30%.

Based on the description above, to show the magnitude of the effect of the dependent variable on the variable free to influence inequality income in West Java Province, the author wants to examine the topic of inequality income in West Java Province for the years 2017 until 2021.

2 Literature Review

2.1 Gini Index

The Gini Index measures size disparities. The first was developed by an Italian statistician Corrado Gini and published in 1912 (International NGO Forum on Indonesia Development). According to Central Agency Statistics, the index Gini is based on the Lorenz curve, i.e., an expense curve cumulative that compares the distribution of several variables that can represent the cumulative percentage of a population. This can help the government analyze the capabilities of an economy and society, which is the justice of a country. The formula for calculating the Gini Index according to BPS (2017) is as follows:

$$IGR = 1 - \sum_{i=1}^n f_{pi}x(F_{ci} + F_{Ci-1})$$

Notes: GR: Gini Coefficient.

F_{pi} : Population frequency in expenditure to i

F_{ci} : Cumulative frequency of total spending to i

F_{Ci-1} : Cumulative frequency of total spending in expenditure class to $i - 1$.

The Gini Index is the size that fulfills four criteria. They are the principle of anonymity (no looking at who counts as rich or poor), the focus of independence scale (not depending on the economy of the country), the principle of population independence (no depending on the population), and the principle of transfer (assuming that all income is constant). Based on this explanation, the Index Gini can be validly used to measure income inequality.

2.2 Total Population

We can calculate an increase in the human population in an area in the number of individuals or by using unity to measure population so that it can be said as population growth [8]. According to Thomas Malthus' theory of the "Population Trap," Food supplies must keep pace with population growth. However, the opposite is not the case. Food supplies can't keep up with the growing population, so income per capita will go down to a level of livelihood. According to [9], if you cannot control the population level continuously, it will cause the problem of underdevelopment. The drop in life quality directly impacts income due to a decrease in the level of welfare of the population. With this, the people can be an inequality indicator of revenue.

2.3 Minimum Wage

Neoclassical economics thinks wages function as a minimum wage determination for market labor and non-market organizations, so raising prices for work cannot be used to reduce income inequality. If the cost of labor increases, then the minimum wage can reduce the workforce and some workers who are unemployed [10].

By increasing the minimum wage, we can reduce income inequality because raising the minimum wage can reduce income inequality and reduce current migration, especially for those with low incomes. Decreasing migration flows due to economic factors, i.e., increased revenue that the unit can measure by wages. Therefore, the increase in expected wages can lower the number of people working with low-income and medium-income because of increased purchase power [11].

2.4 Human Development

Human development is always related to economic growth, increasing national competitiveness, and rising population levels [12]. Draft human development was first time introduced by the United Nations Development Program (UNDP) in 1990 through the Human Development Report (HDR), which give recommendation using the Development Index Human for can measure human development [13]. Human Development is used as an indicator to assess development quality, classify a country as developed, developing, or underdeveloped, and measure policy economy on quality of life.

Human Development is used to measure quality and success in human life and can make development accessible to all of society so that they can earn income, health, and education [14]. The three dimensions of HDI are health as measured by the number of life expectancies, education as measured by the average old school, and life worth measured by PNB per capita [15]. If these three dimensions are carried out continuously, a good quality of society will be realized and affect a country.

2.5 The Rate of Open Unemployment

Unemployment is someone classified in the army workforce actively looking for work at a specific wage rate but has yet to obtain the desired job. Long-term economic growth may suffer as a result of high unemployment. Long [16]. Unemployment reflects the inability

of the economy in an area to utilize labor resources fully [17]. While unemployment benefits imply completing unfinished work and actively seeking employment. If a large number of unemployed people cause a decrease in wages for the upper-income group, this creates income inequality. Conditions like this require the availability of suitable work with a change in the labor quantity so that income distribution can be evenly distributed [18].

2.6 Poverty

Poverty can be seen in social inequality, where society can fulfill basic needs but is left behind away from the surrounding community. The more significant the gap between those who earn high and those who make low, the more people are classified as poor. Therefore, the discrepancy in income is closely related to poverty. We must minimize close poverty relationships and income inequality to reduce inequality in what is happening in society [18].

3 Research Method

Standard effect models are estimation models that combine time series and cross-section data. The Chow test results and Hausman test indicate that the selected model is the Fixed Effect Model (FEM). To analyze the effect of the total population, district/city minimum wage, human development, the rate of open unemployment, and poverty on the level of income inequality in West Java Province from 2017 until 2021, We used panel data regression with an econometric model to analyze the data as follows:

$$\begin{aligned} GI_t = & \beta_0 + \beta_1 \log(TP)_{it} + \beta_2 \log(MW)_{it} \\ & + \beta_3 HDI_{it} + \beta_4 ROU_{it} + \beta_5 \log(POV)_{it} + \varepsilon_{it} \end{aligned}$$

Notes: GI: Gini Index (Index)

TP: Total Population (Soul/Year)

MW: Minimum Wage in District/City (Rupiah/Year)

HDI: Human Development Index (Percent/Year)

ROU: The Rate of Open Unemployment (Percent)

POV: Poverty (People/Year)

β_0 : Constant

$\beta_1 - \beta_5$: Variable Regression Coefficient 1–5

ε : Error Term (Error Factor)

i: Observation to i

t: Years to t (2017–2021).

4 Result and Discussion

4.1 Estimation Results

The panel data used in this research is panel data that is a combination of 6-year time series data and cross-section data of 27 districts or cities in the Province of West Java. This research uses data that is classified as secondary data. Variable data is both bound

Table 1. Panel Data Analysis Results

| Variables | Coefficient | | |
|--------------------|-------------|-----------|-----------|
| | CEM | FEM | REM |
| C | 0.333304 | -0.909694 | 0.515524 |
| logTP | -0,046,637 | 0.126710 | -0.033929 |
| log MW | 0.002659 | -0.126837 | -0.021004 |
| HDI | 0.005926 | 0.014990 | 0.006364 |
| ROU | 0.002726 | 0.000353 | 0.000760 |
| logPOV | 0.044751 | 0.061358 | 0.038998 |
| R ² | 0.327702 | 0.754340 | 0.105460 |
| Adj R ² | 0.301644 | 0.680404 | 0.070787 |
| F-statistic | 12.57582 | 10.20256 | 3.041623 |

Source: Processed Results E-Views 12

and free. This research was obtained from Badan Pusat Statistik (BPS). Based on the results of regression analysis, model Chow test, and test Hausman, the best are Fixed Effect Models (FEM). According to [19]. In the method of regression model estimation using panel data, three approaches were performed, namely the Common Effect Model (CEM), the Fixed Effect Model (FEM), and the Random Effect Model (REM). The regression results with the three approaches can be seen in Table 1.

4.2 Selection of a Selected Estimation Model

4.2.1 Chow Test

The Chow test is the test used to be able to see if the FEM model is better compared to the CEM model. The results of the Chow Test data processing can be seen in Table 2.

Based on Table 2 it can be seen the value of Sig. F-statistic of $0.000000 < 0.05$, then H_0 is rejected, and the selected model is the Fixed Effect Model (FEM).

Table 2. Chow Test Results

| Redundant Fixed Effects Tests (Chow test) Variables | | | |
|---|------------|----------|--------|
| Effects Tests | Statistic | d.f. | Prob. |
| Cross-section F | 6.880029 | (26.103) | 0.0000 |
| Cross-section Chi-square | 135.911938 | 26 | 0.2678 |
| $R^2 = 0.327702$; $F\text{-Stat} = 12.57582$; $\text{Sig. } F\text{-Stat} = 0.000000$ | | | |

Source: Processed Results E-Views 12

Table 3. Hausman Test Results

| Correlated Random Effects - Hausman Test | | | |
|--|------------------|-------------|--------|
| Test Summary | Chi-Sq Statistic | Chi-Sq d.f. | Prob. |
| Cross-section random | 18.282741 | 5 | 0.0026 |
| R2 = 0.754340; F-Stat = 10.20256; Sig. F-Stat = 0.000000 | | | |

Source: Processed Results E-Views 12

Table 4. Regression Results of Fixed Effect Model (FEM) Test

| | | | | |
|---|-------------------------|----------------------|-----------------------------|------------------|
| GIit = -0.909694 + 0.126710logTPit - 0.126837logMWit + 0.014990 HDIit + 0.000353ROUit + 0.061358POVit | | | | |
| P-Value | Log(TP) 0.0343 | Log(MW) 0.0950 | HDI ROU 0.1886 0.8796 | Log(K) 0.0305 |
| R ² = 0.75430 | ; DW-Stat = 2.305129 | ; F-Stat = 10.20256; | Prob (F-Stat) = 0.000000 | |

Source: Processed Results E-Views 12

Table 5. Regression Results of Fixed Effect Model (FEM) Test

| Variable | T | Sig. T | Criteria | Conclusion |
|----------|-----------|--------|----------|------------------------------------|
| logTP | 2.145228 | 0.0343 | <0.05 | Significant on $\alpha = 0,05$ |
| log MW | -1.685163 | 0.0950 | <0.10 | Significant on $\alpha = 0,10$ |
| HDI | 1.323511 | 0.1886 | >0.10 | Not significant on $\alpha = 0,10$ |
| ROU | 0.151885 | 0.8796 | >0.10 | Not significant on $\alpha = 0,10$ |
| logPOV | 2.193280 | 0.0305 | <0.05 | Significant on $\alpha = 0,05$ |

Source: Processed Results E-Views 12

4.2.2 Hausman Test

The Hausman test is used to find FEM better than the REM model. Results The Hausman Test data processing can be seen in Table 3.

Table 3 shows that the probability value for the random cross-section random is $0.0026 < 0.05$, which means H_0 is rejected, o the conclusion is that the model chosen is the Fixed Effect Model (FEM) (Table 4).

4.3 Goodness Selected Model Test

4.3.1 Existence Model Test (F Test)

The statistical test of goodness demonstrates the existence of a Fixed Effect Model (FEM) estimation model. It is as evidenced by the p (p-value), probability, or empirical statistical

significance of F, which value 0,0000 ($<0,01$). It indicates that the variables of the total population, minimum wage district/city, and poverty can affect income inequality.

4.3.2 R-Square Interpretation

The coefficient of determination with predictability R^2 is as significant as 0.754340. That is, 75.43% of the Gini Index variable can be explained by the variable total population, minimum wage in the district/city, human development, the rate of open unemployment, and poverty. Other variables outside the model influence the remaining 24.57%.

4.3.3 Effect Validity Test (t-Test)

Validity test influence can test the significant impact of an independent variable individually. Validity test influence can use a t-test. H_0 t-test, $\beta_i = 0$: independent variable to i did not have a considerable impact; H_A its $\beta_i \neq 0$: independent variable to i has a significant influence. H_0 will be accepted if p (p-value), probability, or significance statistic $t > \alpha$; H_0 will be rejected if the p (p-value), probability, or empirical significance statistic $t \leq \alpha$. Validity test influence results can be seen in Table 5.

4.4 Interpretation Independent Variables Influence

Separately, the total population, the minimum wage in the district/city, and poverty influence income inequality with p-value, probability, or significance. The empirical t statistics each of 0.0343 (<0.05), 0.0950 (<0.10), 0.0305 (<0.05). While the variables HDI and TPT do not affect income inequality in West Java Province, with p (p-value), probability, or empirical significance t statistic is 0.1886 (>0.10) and 0.8796 (>0.10).

The total population has a regression coefficient of 0.126710, with a linear-logarithmic relationship pattern. If poverty increases by 1000 people/year, then income inequality will increase by 0.126710%. The province's total population is positive and significant, which means that the size of income in the community can affect inequality. According to the results of previous research from 2005 until 2016, the variable population of West Java province also affects income inequality. It is due to relatively advanced urbanization in that year. The population increased from year to year, reaching 47.38 million in 2016. The Badan Pusat Statistika estimates that population growth will reach 48.22 million in 2021, which is a population. It is the largest of any province in Indonesia, meaning that the population has increased since the previous survey in 2016. According to Badan Kependudukan dan Keluarga Berencana Nasional (BKKBN), it is estimated that the increasing population growth in 2021 is due to urbanization. It is because districts and cities in West Java have many industrial centers, such as Bekasi and Karawang, and people moving to cities are interested in relocating.

Analysis of demographic variables from 2017 to 2021 shows a positive and significant impact on income inequality in West Java based on panel data estimation results. It means that the population can affect West Java's income level. This research is supported by a previous study conducted by [20] with the results that the population has a positive and significant effect on income inequality. In addition, research is supported by research previously conducted [21] that positively impacts people and is substantial

in income inequality. As a result, unemployment increases. It is incompatible with the study conducted by [3] that found the population's negative effect is not significant to income inequality. The growth in the number of residents makes competition to get jobs tighter. Increased unemployment can reduce the value of productivity and per capita income for the region. As a result, income inequality did not arise directly from East Java's significantly tiny total population from 2011 until 2015 [3].

The minimum wage in the district/city variable has a coefficient regression of -0.126837 , with a pattern of linear-logarithmic relationship. That is, if the minimum wage in District/City is experiencing an increase of 1 million rupiah, then income inequality will experience a decrease of 0.126837% . Minimum wages in the province of West Java fluctuate yearly to provide adequate protection for all workers in their respective regions. When the minimum wage is set, there must be an incentive to encourage the workforce to turn into employees (formal sector) so that the necessities of life can be achieved [10]. The minimum wage in the district/city of West Java Province has had a negative but significant effect on income inequality in West Java Province from 2017 until 2021. It means that raising the minimum wage in West Java can reduce disparities in income. It is because the minimum wage can affect income inequality. When wages are increased, inequality can decrease, and poverty will also reduce [22]. When wages rise, it can increase purchasing power, public consumption, and demand for local goods and services [8]. This research is in line with that conducted by [8], which found wages harm income inequality, however significant. It happened on the island of Sumatra. The wage disparity in West Java stems from the strong government bureaucracy, thus determining wages as a minimum. Regions in West Java Province have different resources, so in the area, it is difficult to do the equalization determination of wage minimum in West Java Province [23]. This research contrasts with the results [24] that show the minimum wage had no significant effect on income inequality in Java East from 2012 until 2015. It matters because the East Java region has vast agricultural land, and farmers are the central livelihood community. The industrial sector is only in certain areas, so the increase in reward will only be felt by those who work inside it. The minimum wage increase aims to reduce income inequality and not increase income for East Java's agricultural population.

Poverty has a regression coefficient of 0.061358 , with a linear-logarithmic relationship pattern. If poverty experienced an increase of 1000 people per year, then income inequality would increase by 0.061358% . The poverty rate in West Java province is positive and significant, meaning that if poverty rises, it will affect income inequality. Based on Badan Pusat Statistika (BPS) states that residents who are below the line of poverty in 2021 will be 6,82 thousand people (4,2%), while the poverty line will reach 427,4 thousand per capita per month. From regression results, it is known that the variable coefficient of the poverty rate is 0.06135 , with a probability of 0.035. It means that poverty positively and significantly affected income inequality in West Java province in 2017–2021. This research is in line with the study conducted by [18] that poverty has a positive effect and is significant to income inequality, implying that extreme poverty will also result in extreme inequality. In a particular proportion, poverty is closely related to inequality [25]. However, if poverty is reduced does not mean it can reduce inequality in

income [18]. Poverty can happen because you have not fulfilled the minimum requirement. When poverty is declined, the community can make ends meet at a minimum because the income earned increases. Because of inequality, the eradication of poverty in developing countries is moving slowly. It's so extreme that it's considered a solid threat to economic progress in an area [26]. However, This research is the opposite of the study conducted by [27], that poverty has a positive effect will but not significant.

Based on the results, regression analysis can explain that the variable Human Development Index (HDI) is influential positive, and insignificant to income inequality in West Java Province in 2017–2021. It is with a coefficient value of 0.014990 and a probability of 0.1886. The result shows a 1% at HDI and a likelihood of 0.1886. It explains that when there is a 1% increase in HDI, there will be an income inequality of 0.014990%, ceteris paribus. This result means that HDI impacts income inequality, but it is insignificant. When the quality of human resources increases, health, and increased education impact the increase in human productivity caused by quality human resources, affecting efforts to improve the quality of human resources, it makes it harder to get decent jobs with high wages.

HDI in the year 2021 in West Java Province reached 81,96% and was classified as high enough. It is possible to conclude that the West Java provincial government recognizes the value of human resources in ensuring the prosperity of its people. This research is in line with or has the same regression result as the research conducted by [28] that the development index affects inequality income, but not significant. Therefore, HDI has an influence but is insignificant against Indonesia's inequality income. Indonesia has a high HDI value classified as moderate, which means that the quality of human resources is starting to be noticed by the government in Indonesia [28]. However, This research is opposite to the study conducted by [3] that there is a positive and significant influence between the human development index and income inequality in East Java province. East has a level of hope for a productive workforce to increase per capita income society. Still, it's just clustered in areas that become industrial centers or centers, resulting in income distribution that needs to be evenly distributed and can trigger the emergence of economic disparity.

The results of the analysis show that ROU (Rate of Open Unemployment) has a positive influence and not a significant one on income inequality in Java West Province. A coefficient regression of 0.000353 with a probability value of 0.8796 means that a 1% increase in ROU has no effect or will not result in a 0.8796 percent increase in inequality. The greater the number of unemployed, the more workers who don't have an income. Because of this situation, it is necessary to create job vacancies following changes in the number of workers so that people's payments can be evenly distributed [18]. This matter is also in line with research conducted by [21] in West Java from 2005 until 2016. The open unemployment rate has a positive effect and is not significant to inequality in income.

However, This research is opposite to a study conducted by [27], which found that the unemployment rate is significantly negative and significant to income inequality in South Sumatra. This matter is explained by research that shows most of the workforce in South Sumatra is working in the informal sector, which has a low income. It causes income equality in the community, but this equalization only occurs in the low-class economy. In

terms of economic equality, the unemployed will impact reducing economic inequality. But, this is different from the development goals in Indonesia in terms of well-being.

5 Conclusion

Based on the results, we can conclude that the total population, the minimum wage in the district/city, human development, the rate of open unemployment, and poverty influenced significant income inequality in West Java Province in 2017–2021. Based on the results, the Chow test and Test Hausman selected the Fixed Effect Model (FEM) estimated model as the best model. The fixed Effect Model (FEM), which we chose to demonstrate the existence of the estimated model, implies that the variable total population, minimum wage in the district/city, human development, the rate of open unemployment, and poverty all have an impact on income inequality.

Based on the results of regression analysis panel data from the t-test, we can explain that the Minimum Wage District/City has an influential negative on income inequality. In contrast, total population, human development, the rate of open unemployment, and poverty have a positive effect on income inequality. While for the entire population, Minimum Wage District/City and poverty are significant or affect inequality income, the variable human development and the rate of open unemployment are not substantial or do not affect inequality income.

Test for statistical goodness The model demonstrates the existence of an estimated Fixed Effect Model (FEM), as evidenced by the p (p-value), probability, or empirical significance statistic F with a value of 0.0000 (0.01) and an R^2 or predictability of 0.754340. It means that the total variables population, minimum wage in the district/city, human development, the rate of open unemployment, and poverty explain only 75.43% of the variation in the Gini index. In comparison, the remaining 24.57% is influenced by variables or factors not included in the models.

6 Recommendation

Based on research results, the advice that we can give is that the West Java Province can be classified as moderate in disparity. Therefore, it is necessary to take action and continue with various economic or non-economic policies that can provide support so that income distribution inequality can be improved and spread evenly in West Java Province. Factors affecting inequality The opinion caused by urbanization is the total population. For that, an appropriate program was launched by the President of the Republic of Indonesia, who has the Nawa Cita program, namely building Indonesia from the periphery that strengthens villages and areas within the framework of a unified country. From this, we can expect the Province of West Java to build from the frame as a priority and bring about change in the suburban building program. Besides that, there is a need for improved labor participation to stop the current urbanization.

In addition, it is recommended that the government pay attention to the elements that another is to create jobs and increase income in the agricultural sector (not the industrial sector only). High wages, of course, can meet the daily needs of a community, and if the

community wages are low, then there is a need for more resources to meet the needs of the life-worthy.

Poverty has become a phenomenon that is considered normal in Indonesia. The same happened in West Java Province, where poverty levels can affect income inequality. The government must develop MSMEs (Micro, Small, and Medium Enterprises) and increase employment. It can reduce unemployment, improve stability, keep running the KIP (Smart Indonesia Card) program for those who can't go to school, and distribute social assistance to the underprivileged in the community.

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