

THE PADEMIC TIME OF COVID 19 THE GINI THE RATIO INCREASED MORE LAME

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Abstract

During 2020, the year of economic disasters throughout the world, including Indonesia, because of the COVID-19 epidemic, the Gini ratio variable has experienced a high increase so that it will affect macro endonesi in 2020

The Gini ratio or coefficient is a tool to measure the degree of inequality of population distribution. It is based on the Lorenz curve, which is a cumulative expenditure curve that compares the distribution of a particular variable (eg income) with a uniform distribution that represents the cumulative percentage of the population.

From BPS data in March 2020, the Gini Ratio for urban and rural areas was 0.317 compared to 209 March, which was inspired by 0.382 urban and 0.317 rural

Keywords: high income population, middle income population low income population

Preliminary

Income inequality as an important instrument for determining policies is expected to be able to encourage economic activity and increase economic growth. The government optimizes this role by increasing people's income which is reflected in the Gross Domestic Product (GDP). In real terms, people's income has also increased in line with the increase in Gross Domestic Product (GDP). The role of the government in the economy is indicated by expenditure for the economy as a percentage of total expenditure, which tends to increase. Government expenditure as an instrument so that revenue sharing is straightforward.

One of the measurements of income is the Gini ratio, where in Gini this ratio can be seen the percentage of high-income and middle-income population groups and low-income residents respectively, foreigners receive what percentage of the income sharing if the Gini ratio curve is inflated, then there will be irregularities in those days

The problem that is always faced by developing countries including Indonesia is the economic disparity or inequality in the distribution of income between high-income and low-income groups (Tambunan, in Idris. Et al, 2014). Income inequality is not only felt by developing countries but developed countries also experience this problem

One of the ways or instruments that the government uses in developing the economy is fiscal decentralization. Fiscal decentralization in regional autonomy policy is the authority given by the central government to local governments to regulate and manage all government affairs. Regional autonomy and decentralization are government system policies that provide broad autonomy

Theoretical basis

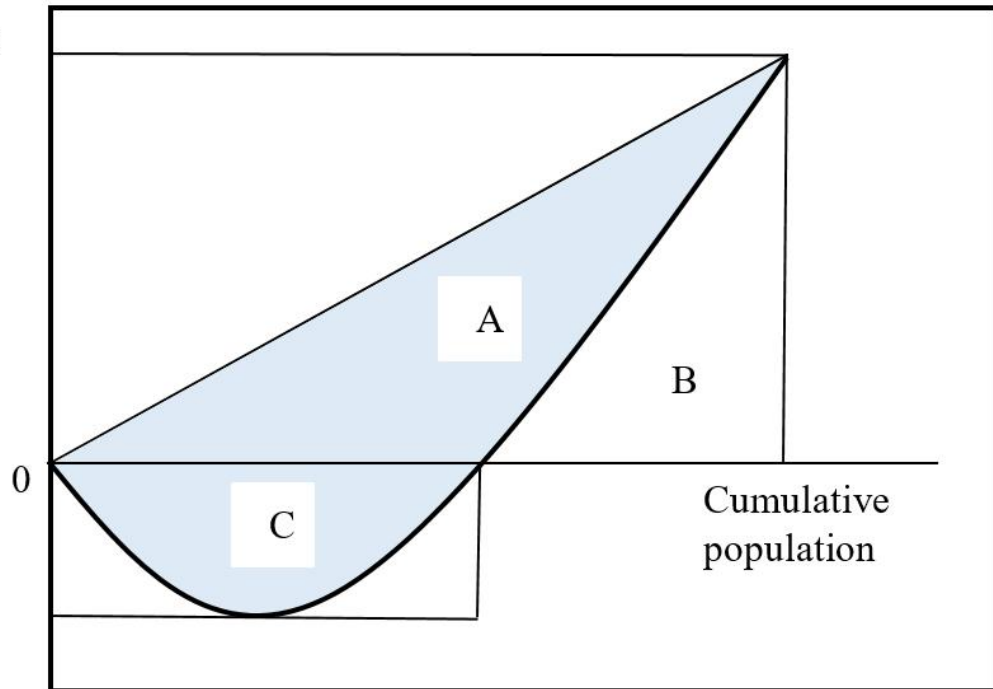
The Gini coefficient (Gini Ratio) is a measure of aggregate inequality or inequality (as a whole) whose numbers range from zero (perfect equality) to one (perfect inequality). The Gini coefficient can be obtained by calculating the ratio of the plane that lies between the diagonal line and the Lorenz curve divided by the area of half of the plane in which the Lorenz curve is located. Look at the following picture:

Calculating the Gini Ratio from the Lorenz Curve

Comparison of the conditions of inequality can use the Lorenz curve to bring constraints for researchers who want to compare two Lorenz curves that are almost similar to each other Therefore, one simpler indicator is needed to show the condition of inequality, namely the Gini Ratio. Gini Ratio is a single number that shows the condition of inequality.

The Gini Ratio has a value between zero and one. A zero Gini ratio means that the distribution conditions are even, and a Gini ratio of one means the conditions are at least evenly distributed

Cumulative
Wealth



In the picture above, the length of the axis that forms the triangle is 100% (= 1) so the area of the triangle is 0.5. Thus, the area of $A + B = 0.5$.

Research Results and Discussion

Poverty in Indonesia and Geographical Distribution

One of the characteristics of poverty in Indonesia is the huge difference between the relative poverty value and the absolute poverty value in relation to geographic location. If in absolute terms more than half of the total population of Indonesia living in poverty are located on the island of Java (which is located in the western part of Indonesia with a dense population), in a relative sense the provinces in Eastern Indonesia show higher poverty scores. The table below shows the five provinces in Indonesia with the highest relative poverty rates. All of these provinces are located outside the western part of Indonesia such as the islands of Java, Sumatra and Bali (which are more developed areas than the islands in eastern Indonesia). Provinces with a Relatively High Poverty Rate: Province of the Poor¹ Papua 28.5% West Papua 25.4% East Nusa Tenggara 22.2% Maluku 19.2% Gorontalo 17.7% ¹ percentage based on total population per province in March 2016 Source: Central Bureau of Statistics (BPS) The poverty rates in these provinces in Eastern Indonesia, where the majority of the population are farmers, are mostly found in rural areas. In this area, indigenous peoples have long lived on the edge of the

economic development process and far from development programs (organized by the government or international institutions). Migration to urban areas is the only way to find work and - thus - avoid living in poverty. Contrary to the relative poverty rate in Eastern Indonesia, the table below shows the absolute poverty rate in Indonesia which concentrates on the islands of Java and Sumatra. These two islands are the most populous islands (population) in Indonesia. Provinces with High Absolute Poverty Rates: Province of the Poor (in millions) East Java 4.78 Central Java 4.51 West Java 4.49 North Sumatra 1.51 East Nusa Tenggara 1.16

: Provinces with High Absolute Poverty Rates:

Province	The poor (Million)
East Java	4.78
Central Java	4.51
West Java	4.49
North Sumatra	1.51
East Nusa Tenggara	1.16

Covid 19 Even

In Indonesia during the covid 19 period in 2020

- As of March 2020, the level of expenditure inequality of the Indonesian population as measured by the Gini Ratio is 0.381. This figure is an increase of 0.001 points when compared to the Gini Ratio of September 2019 which was 0.380 and decreased by 0.001 points compared to the Gini Ratio of March 2019 which was 0.382.
- The Gini Ratio in urban areas in March 2020 was recorded at 0.393, an increase compared to the Gini Ratio in September 2019 which was 0.391 and the Gini Ratio in March 2019 which was 0.392.
- The Gini Ratio in rural areas in March 2020 was recorded at 0.317, an increase compared to the Gini Ratio in September 2019 which was 0.315 and unchanged from the Gini Ratio in March 2019 which was 0.317.
- Based on the measure of the inequality of the World Bank, the distribution of expenditure in the bottom 40 percent is 17.73 percent. This means that population expenditure in March 2020 is in the low level of inequality category. If broken down by region, in urban areas the figure is 16.93 percent, which means it belongs to the moderate inequality category. Meanwhile, for rural areas, the figure was recorded at 20.62 percent, which means it belongs to the low inequality category.

The level of expenditure inequality of the Indonesian population as measured by the Gini Ratio increased to 0.381 in March 2020. An increase of 0.001 points compared to the Gini Ratio of September 2019 which was 0.380 and decreased by 0.001 points compared to the Gini Ratio of March 2019 which was 0.382. Head of the Central Statistics Agency (BPS) Kecuk Suhariyanto said that the increase in the Gini Ratio in March 2020 was due to disruption in the community's economy due to the Covid-19 pandemic that has hit Indonesia since March. "In March 2020 the Gini Ratio increased. The increase occurred in cities and villages. This happened because Covid-19 decreased the income of all levels of society," he said in a video conference, Wednesday (15/7). The Gini Ratio in urban areas in March 2020 was recorded at 0.393, an increase compared to September 2019 which amounted to 0.391 and March 2019 which amounted to 0.392.

Conclusion

From this analysis, it can be concluded as follows: Based on the measure of inequality by the World Bank, the distribution of expenditure in the bottom 40 percent is 17.73 percent. This means that population expenditure in March 2020 is in the low level of inequality category. If broken down by region, in urban areas the figure is 16.93 percent, which means it belongs to the moderate inequality category. Meanwhile, for rural areas, the figure was recorded at 20.62 percent, which means it belongs to the low inequality category.

Suggestion

2021 the government should improve the welfare of the people by opening new jobs so that people's income will increase.

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