

POVERTY AND INEQUALITY ANALYSIS OF POPULATION EXPENDITURE IN WEST NUSA TENGGARA

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ABSTRAK

Penelitian ini bertujuan untuk menganalisis dan menguraikan perkembangan kemiskinan dan ketimpangan pengeluaran penduduk di Nusa Tenggara Barat. Metode penelitian yang digunakan adalah enelitian deskriptif dengan menggunakan data sekunder tahun 2014-2021. Teknik analisis yang dipergunakan dalam penelitian ini dilakukan dengan; analisis data dilakukan dengan menggunakan tabel berkaitan dengan aspek-aspek yang dikaji, analisis data pengeluaran penduduk untuk mengetahui terjadinya ketimpangan menggunakan koefisien Gini, dan Ukuran Bank Dunia.

Hasil penelitian menunjukkan bahwa perkembangan jumlah penduduk miskin selalu menurun dengan jumlah penduduk miskin yang berada di pedesaan lebih kecil dibanding dengan perkotaan. Distribusi garis kemiskinan baik di daerah perkotaan maupun di daerah pedesaan. Distribusi garis kemiskinan baik di daerah perkotaan maupun di daerah pedesaan rata-rata 70% lebih untuk kebutuhan makanan, sisanya kurang dari 30% untuk kebutuhan non makanan. Secara rata-rata persentase penduduk miskin selama tahu 2014-2021 untuk daerah perkotaan dan pedesaan sebesar 15,15%. Rata-rata Indeks Kedalaman Kemiskinan (P1) sebesar 2,700 untuk daerah perkotaan dan pedesaan dan Rata-rata Indeks Keparahan Kemiskinan (P2) selama tahun sebesar 0,670%.

Ketimpangan Pengeluaran Penduduk berdasarkan koefisien Gini secara rata-rata adalah 0,379 untuk daerah perkotaan dan pedesaan berada dalam ketimpangan “sedang”. Berdasarkan kriteria bank dunia bahwa ketimpangan pengeluaran penduduk di daerah pedesaan tergolong dalam “ketimpangan ringan atau rendah”, di daerah perkotaan tergolong dalam “ketimpangan sedang”. Ketimpangan pengeluaran untuk daerah pedesaan dan perkotaan secara tergolong dalam “ketimpangan ringan atau rendah”.

Kata kunci: Kemiskinan, Ketimpangan, Distribusi Pengeluaran.

ABSTRACT

This study aims to analyze and describe the development of poverty and inequality of population expenditure in West Nusa Tenggara. The research method used is descriptive research using secondary data from 2014-2021. The analysis technique used in this study was analyzing data using tables related to the aspects studied: population expenditure data analysis to determine inequality occurrence using the Gini efficiency and the World Bank criteria.

The results show that the development of the number of poor people has always decreased, with the number of poor people in rural areas being smaller than in urban areas. The distribution of the poverty line in both urban and rural areas averaged more than 70% for food needs, the remaining less than 30% for non-food needs. On average, the percentage of poor people during 2014-2021 for urban and rural areas is 15,15%. The average poverty depth index (P1) was 2.700 for urban and rural areas, and the average poverty severity index (P2) during the year was 0,670%.

The average inequality of population expenditure based on the Gini coefficient is 0.379 for urban and rural areas, which is “moderate”. Based on World Bank criteria, inequality of population expenditure in rural areas is classified as “mild or low inequality,” while in urban areas, it is classified as “moderate inequality.” Expenditure inequality for rural and urban areas is classified as “mild or low inequality.”

Keywords: Poverty, Inequality, Expenditure Distribution.

INTRODUCTION

Poverty and expenditure inequality are two variables that affect the quality of life of human resources, making them both indicators to determine the performance and quality of economic development for a county. The development of the poor population and inequality of national expenditures always fluctuate yearly, especially in the last two years when the Indonesian nation, in particular, has been dealing with preventing the COVID-19 pandemic outbreak.

Based on data from the Central BPS, the number of poor people in September 2019 reached 24,785.87 million, which increased to 26,503.65 million in 2021. In percentage terms, the poor population in rural areas was 12.60 percent; in urban areas, it was 6.56 percent, while nationally (urban and rural), it reached 9.22 percent in 2019. This condition has changed in 2021, which reached 9.71 percent (BPS, 2022). Based on these conditions, the poverty condition of the Indonesian population has increased during the Covid-19 pandemic. That indicates that poverty is still friendly to part of the Indonesian population, both in urban and rural areas. This condition certainly has implications for their ability to spend or consume.

Inequality of population expenditure as seen from the Gini coefficient shows that population expenditure in September 2019 in rural areas amounted to 0.315, in urban areas it amounted to 0.391 and nationally (urban and rural) reached 0.380. Meanwhile 2021, in the same period, it reached 0.314 in rural areas, 0.398 in urban areas, and nationally (urban and rural) it was 0.381 (BPS, 2022). That shows that the inequality of population expenditure in Indonesia tends to move upwards, which means there is a gap or inequality in population expenditure, especially in urban areas. This phenomenon shows that the development process in Indonesia has yet to narrow the gap or inequality between groups of people in urban and rural areas.

According to Arsyad (2010), the elimination of poverty and the development of inequality in income distribution are at the core of the development process. The problems of poverty and equity are complex because they are often related to a society's social values. Arsyad cites the opinion of Adelman and Norris that several factors cause inequality in income distribution, namely (1) high population growth, (2) inflation, (3) uneven development between regions, (4) heavy investment in capital-intensive projects; (5) low social mobility; (6) the implementation of import-substitution industries that cause the price of industry goods to rise; (7) the deterioration of exchange rates (terms of trade); and (8) the destruction of people's handicraft industries.

Maipita (2014) cites Chambers' income that 5 disadvantages are interrelated so that individuals, families or communities find it difficult to get out of the poverty trap, namely (1) weakness in physical terms; (2) vulnerability to shock; (3) isolation; (4) powerlessness; and (5) poverty itself. Tambunan (2015) said that there are several indicators used to determine poverty, namely (1) income/consumption per week/month/year; (2) asset ownership; (3) total wealth; (4) food consumed; (5) residence; (6) formal education; (7) basic household infrastructure; (8) health. Based on this indicator, the poverty condition of the population in a country or region can be known.

The government has attempted various factors causing poverty and inequality in income or expenditure distribution to minimize their impact. However, until now, poverty and income or expenditure inequality still occur, including in the province of West Nusa Tenggara. The number and percentage of poor people in West Nusa Tenggara both cumulatively and as a percentage move fluctuatively. The same thing happens with expenditure distribution, which shows that there is still inequality even though it is in the low and medium categories. The COVID-19 pandemic has had a tremendous impact on the economic activities of the community because of the policy of limiting all activities in public places and being moved to be centered at home. That has caused a shift or change in the number of poor people, income and expenditure inequality, and other impacts.

Based on data released by the West Nusa Tenggara Central Statistics Agency (BPS), the number of poor people in West Nusa Tenggara in September 2018 was 735,619 people with a percentage of 14.63 percent, which decreased to 735,301 people, and as a percentage decreased to 13.83 percent. Based on this data, the phenomenon of poor people has decreased slightly despite being in the COVID-19 pandemic. On the other hand, expenditure inequality in the same period shows that in 2018, for rural areas, it was 0.422 in urban areas, 0.343 in rural areas and 0.391 in urban and rural areas. In 2021 it was 0.420 for urban areas, 0.331 for rural areas and 0.386 for urban and rural areas.

This phenomenon is very interesting to examine, as on the one hand, there has been a decline in the number and percentage of poor people. On the other hand, expenditure inequality has also decreased. This decrease will minimize the gap or inequality in the expenditure of the population, which will have an impact on improving their respective welfare. Handling and policy strategies related to poverty and inequality in the expenditure of the population still use several indicators that are quantitative and material in nature. At the same time, poverty and income or expenditure inequality have several spiritual aspects.

Poverty and income or expenditure inequality greatly impact the fabric of community life and regional development in West Nusa Tenggara, both materially and spiritually. Increasing poverty causes the quality of human resources or the population to decline. Likewise, suppose the gap or inequality in income and or expenditure is

widening. In that case, it will cause an imbalance in the flow of income and fulfillment of life needs between the rich, the well-off and the poor in the community. That will further provoke other negative impacts, especially about interactions among the population.

Formulation of the Problem

Based on the above description, the problem is How is the development of poverty and inequality of population expenditure in West Nusa Tenggara ?.

Research Aim and Significance

The aim is to analyze and describe the development of Poverty and Inequality of Population Expenditure in West Nusa Tenggara.

RESEARCH METHOD

The research approach used is descriptive research that describes and provides an overview of Poverty and Inequality of Population Expenditure in West Nusa Tenggara based on various dimensions and indicators analyzed. By describing the conditions of poverty and inequality of population expenditure during 2014-2021, the condition of the economic performance of West Nusa Tenggara province can be seen.

This research was conducted in West Nusa Tenggara Province, which consists of 10 districts/cities spread over two islands, namely Lombok Island and Sumbawa Island. The determination of the research location was deliberately based on the consideration that West Nusa Tenggara Province is one of the provinces experiencing development and economic growth that fluctuates relatively from year to year with various instruments that influence it.

This research fully uses secondary data sourced from various agencies directly related to this research with the analysis period of 2014-2021. These agencies include BPS NTB, Bappeda NTB, BPS and various literature and information related to the analysis of this research. The types of data needed are (a) the number of poor people in NTB, (b) data on the poverty line in NTB, and (c) total population expenditure in NTB.

The analysis technique used in this study was carried out in the following way: Data analysis was carried out using cross tables related to the aspects studied. All of this data is analyzed quantitatively and qualitatively. Analysis of population expenditure data to determine the occurrence of inequality refers to the Gini coefficient issued by BPS in the analysis period.

RESULTS AND DESCUSSION

Poverty Development

Poverty is still a fundamental problem faced in the national and provincial development process of West Nusa Tenggara. Poverty fundamentally impacts human existence because it can cause other problems. The development of poverty can be seen from the following aspects;

The number of poor people in West Nusa Tenggara province analyzed is the condition from September 2014 to 2021. During this period, the poor population in West Nusa Tenggara experienced fluctuations, both decreases and increases. The number of poor people can be seen in the following figure.

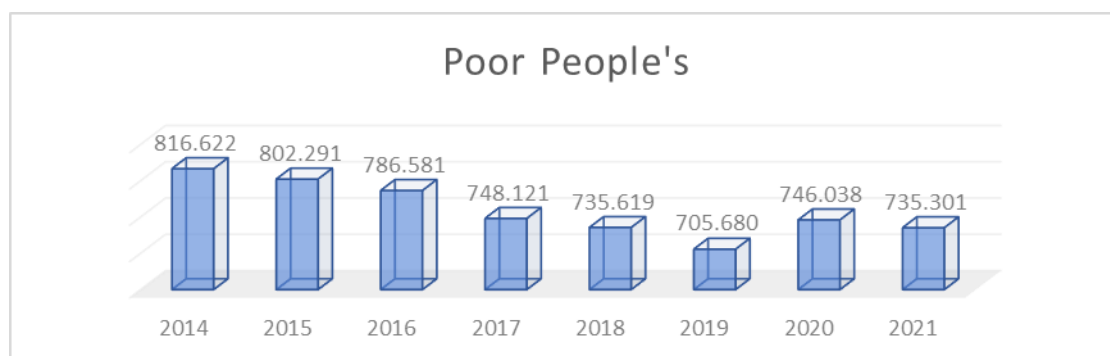


Figure 1. Number of Poor People in West Nusa Tenggara 2014 - 2021 (September condition each year).

The figure shows that the number of poor people in West Nusa Tenggara province fluctuates yearly. The number of poor people has consistently decreased from 2014-2019. The government's ability to reduce the number of

poor people is a manifestation of the government's commitment to improving the population's quality of life in all aspects. Some policies carried out by the West Nusa Tenggara provincial government and aligning with central government policies, such as pro-poor programs, are local or internal.

Government policies that favor people with low incomes continue from year to year, although in 2020 and 2021, there was a significant increase in numbers. It is well understood that the increase in numbers cannot be separated due to the direct influence of the COVID-19 pandemic that hit Indonesia in March 2020. The policies regarding COVID-19 implemented by the government have eased along with the development of people suffering from diseases caused by COVID-19, which has decreased slowly. Despite the slow decline in the number of people infected with COVID-19, the government's policy regarding easing economic activity has changed the number of people classified as poor. That can be seen from the decline in the number of poor people in 2021. It can be seen in the figure above that the number of poor people in September 2021 decreased to 735,301 people, a decrease of 10,373 people.

This condition is compared to the number of poor people in March 2021, after COVID-19 has been running for one year, totaling 746,660 people, a decrease of 11,359 people. If we look at the number of poor people in March 2020, which amounted to 713,890 people, then in March 2021, it increased to 32,770. Thus, it can be seen that after one and a half years, the COVID-19 pandemic in Indonesia, including in West Nusa Tenggara province, has caused an increase in the population classified as poor. During this time, there was an increase in the number of people in West Nusa Tenggara province were classified as poor by 21,411 people.

Poverty Line

Changes in the number of poor people each year are based on the population's ability to spend and fulfill basic needs, which also changes every year. The measure to determine whether the population is poor is based on the minimum expenditure made during one month, called the poverty line.

Table 1. Percentage of Poverty Line Allocation by Type of Need and Region in West Nusa Tenggara 2014-2021.

No	Year	Percentage (%)					
		Urban Area		Rural Area		Urban and Rural	
		Food	Non Food	Food	Non Food	Food	Non Food
1	2014	73,05	26,95	76,70	23,30	76,70	23,30
2	2015	72,82	27,18	76,21	23,79	74,72	25,28
3	2016	72,81	27,19	75,89	24,11	74,50	25,50
4	2017	73,44	26,56	75,73	24,27	74,66	25,34
5	2018	74,00	26,00	74,81	25,19	74,40	25,60
6	2019	74,35	25,65	74,87	25,13	74,59	25,41
7	2020	74,78	25,22	74,72	25,28	74,75	25,25
8	2021	74,27	25,73	74,57	25,43	74,41	25,57
Average		76,31	26,31	75,44	24,56	74,84	25,16

Source: BPS, processed (September condition every year).

The poverty line in West Nusa Tenggara Province from 2014-2021 has always increased for urban, rural, and combined urban and rural areas. The increase in the poverty line each year is due to adjustments to price increases, especially those that occur in the food and non-food components. On average, the poverty line for 2014-2021 was 73.53 percent for food and 26.47 percent for non-food in urban areas. In rural areas, it is 76.05 percent for food and 23.95 percent for non-food, and the combined rural and urban areas are 75.11 percent for food and 24.89 percent for non-food components. Based on these conditions, the fulfillment of the needs of the population of Nusa Tenggara is still more allocated to meet the needs of food than non-food. For the next few years, the poverty line with the highest percentage for the food component will still be higher than the non-food component.

Poverty Indicators in West Nusa Tenggara

The poverty indicators used in this study are indicators issued by the Central Statistics Agency (BPS). Based on the poverty line that has been determined every year, the number of poor people can be known, which in turn can be known as poverty indicators, namely (1) Head Count Index (HCI-Po), which is the percentage of poor people; (2) Poverty Gap Index-P1 and (3) Poverty Severity Index-P2 (Poverty Severity Index).

The percentage of the poor population is intended to determine the movement of the poor population in relative terms both in the current year and in previous years. The poor population in West Nusa Tenggara in the 2014-2019 analysis period as a percentage experienced a movement that continued to decline even though the amount achieved could not reach the predetermined target. The percentage of poor people in 2014 amounted to 17.05 percent but could not meet the target of 16.25 percent (Bappeda NTB, 2017). Similarly, in the years leading up to 2019, the percentage decreased by 13.88 percent, but this achievement was still slightly higher than the set target of

13.75 percent (Bappeda, NTB, 2019). An overview of the percentage of poor people in West Nusa Tenggara province is shown in the following figure.

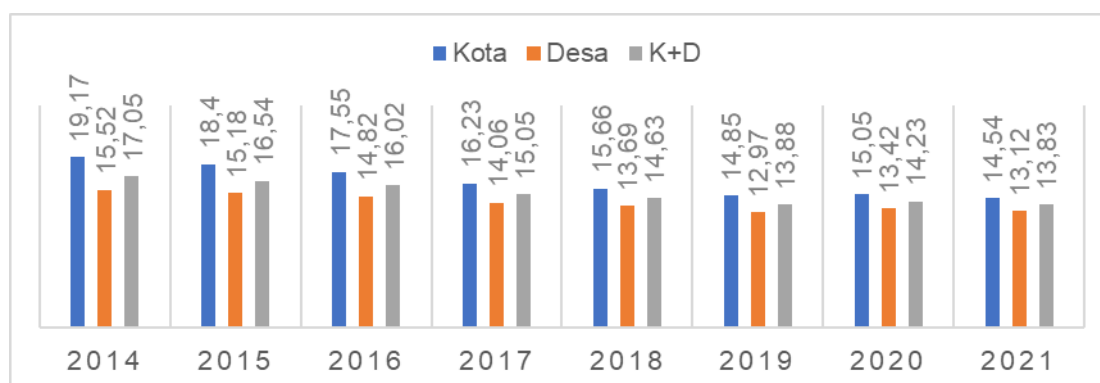


Figure 2: Percentage of Poverty in West Nusa Tenggara Province 2014-2021.

It can be seen in the figure above that the percentage of poor people in urban areas is always higher than in urban areas, although it continues to increase every year. On average, the percentage of poor people in urban areas during 2014-2021 was 16.43 percent, still higher than the average percentage of poor people of 15.15 percent during the same period. The poor population in rural areas is the opposite, always lower, although it tends to change yearly. On average, the percentage of poor people in rural areas during 2014-2021 was 10.49 percent lower than the average percentage of NTB during the same period. That indicates that the percentage contributor to poverty in West Nusa Tenggara is the urban sector. Thus, people in rural areas with their characteristics can still better meet the needs of life because of the supporting factors. Life in rural communities is still natural, especially in fulfilling basic needs in the form of food, which is still available relatively more than in urban areas.

On average, the percentage of poor people during 2014-2021 in West Nusa Tenggara was 15.15 percent. The West Nusa Tenggara provincial government continues to make maximum efforts to reduce the poor population even though economic conditions are not yet stable. Poverty must be sought to decrease despite the government facing various obstacles and problems. The community is obliged to reduce the poor population from time to time so that they can live a good life and be people classified as capable. It can be seen in the figure above that the percentage of poor people in urban areas is always higher than in urban areas, although it continues to increase every year. On average, the percentage of poor people in urban areas during 2014-2021 was 16.43 percent, still higher than the average percentage of poor people of 15.15 percent during the same period. The poor population in rural areas is the opposite, always lower, although it tends to change yearly. On average, the percentage of poor people in rural areas during 2014-2021 was 10.49 percent lower than the average percentage of NTB during the same period. That indicates that the percentage contributor to poverty in West Nusa Tenggara is the urban sector. Thus, people in rural areas with their characteristics can still better meet the needs of life because of the supporting factors. Life in rural communities is still natural, especially in fulfilling basic needs in the form of food, which is still available relatively more than in urban areas.

Poverty in Nusa Tenggara province can also be seen from another indicator, namely, the poverty depth index. The poverty depth index (P1) describes how far the average expenditure of the poor is from the poverty line. The indicator is that the higher the poverty depth index (P1), the deeper the poverty, and vice versa. Based on this indicator, the poverty depth index (P1) in West Nusa Tenggara province for 2014-2021 is shown below.

Table 2: Poverty Depth Index in West Nusa Tenggara 2014-2021.

Year	Poverty Depth Index (P1)		
	Urban	Rural	U+R
2014	3,897	2,217	2,922
2015	2,667	2,760	2,725
2016	3,025	2,313	2,626
2017	3,001	2,316	2,629
2018	2,346	2,411	2,380
2019	2,169	2,073	2,199
2020	2,847	2,636	2,740
2021	2,433	2,573	2,503
Average	3,030	2,570	2,770

Source: Secondary Data, processed.

As shown in the table above, the Poverty Depth Index (P1) has fluctuated in both urban and rural areas. On average, the Poverty Depth Index (P1) in urban areas during 2014-2021 was 3.03, meaning that the average

expenditure or income is still far from the poverty line, which indicates that poverty in urban areas will increase. The average Poverty Depth Index (P1) in rural areas is 2.57, which means that during 2014-2021, the expenditure or income of people in rural areas is still below the poverty line, so in rural areas, there are still people classified as poor. On average, the Poverty Depth Index (P1) of West Nusa Tenggara province during 2014-2021 was 2.618, meaning that the average expenditure of residents in West Nusa Tenggara is still far from the poverty line, which indicates that there are still many poor people.

The poverty severity index is an index that provides an overview of the causes of expenditure among people experiencing poverty in a country, province or district/city. The indicator is that the higher the index value, the higher the inequality or severity of expenditure among low-income people, and vice versa. Based on this indicator, the poverty severity index (P2) in West Nusa Tenggara province in 2014-2021 is shown below.

Table 3: Poverty Severity Index (P2) in West Nusa Tenggara Province 2014-2021.

Year	Poverty Severity Index P2		
	Urban	Rural	U+R
2014	1,102	0,448	0,722
2015	0,732	0,721	0,726
2016	0,779	0,554	0,653
2017	0,762	0,522	0,632
2018	0,509	0,589	0,551
2019	0,533	0,505	0,519
2020	0,714	0,745	0,730
2021	0,537	0,719	0,628
Avarage	0,710	0,600	0,670

Source: Secondary data, processed.

The Poverty Severity Index (P2) shows a very large difference between the poor in urban and rural areas. The Poverty Severity Index (P2) in urban areas in 2014 was the highest at 1.020 and then declined in the following years. The lowest severity index was in 2018 at 0.509. The average poverty severity index in urban areas during 2014-2021 is 0.710. That means that the poor in urban areas have improved their quality of life, and the gap between them in urban areas is not too wide or unequal. The poverty severity indexes in rural areas are below 1, although yearly fluctuations exist. The poverty severity index is above the average, reflecting that in that year, expenditure inequality among people experiencing poverty in rural areas. The poverty severity index (P2) for urban and rural areas is smaller than 1. The poverty severity index (P2) in West Nusa Tenggara is still relatively high, which means there is still inequality in expenditure among people experiencing poverty in urban and rural areas.

The poverty severity index (P2) for urban and rural areas generally shows a downward trend. It has been getting closer to zero since 2014, except in 2021, which indicates that the expenditure inequality of people experiencing poverty is getting smaller/narrower. That means that people experiencing poverty in West Nusa Tenggara province have experienced a shift in their expenditure distribution, which implies a narrowing inequality of expenditure to meet their various needs, especially basic needs and other needs such as secondary and tertiary needs. (P2) In West Nusa Tenggara, the poverty rate is still relatively high, which means there is still an inequality of expenditure among people experiencing poverty in both urban and rural areas.

Goni Ratio

Inequality in population expenditure is a condition that shows the uneven distribution among the population. The province of West Nusa Tenggara continues to strive to reduce expenditure inequality among the population. Inequality of population expenditure in this analysis only uses two indicators, namely the Gini coefficient and the World Bank criteria.

The Gini coefficient or Gini Ratio measures the inequality and income distribution of the population in a country and its regions. The value of the Gini coefficient ranges from 0 to 1. That means that a higher value of the Gini coefficient indicates high inequality; if the value of the coefficient is close to zero, then the inequality is lower. If the Gini coefficient equals zero, there is an even perfect income distribution.

The Gini Coefficient or Gini Ratio in West Nusa Tenggara province experienced fluctuating developments for both urban and rural areas and for the whole of 2014-2021. The fluctuating development of the Gini coefficient reflects the shifting inequality between residents in rural, urban and urban and rural areas every year. The magnitude of the Gini coefficient or Gini Ratio that occurred in West Nusa Tenggara province in 2014-2021 is shown in the following table.

Table 4. Gini Coefficient in West Nusa Tenggara Province in 2014-2021.

No	Year	Urban (%)	Rural (%)	U+R (%)
1	2014	0,446	0,306	0,391
2	2015	0,376	0,342	0,360
3	2016	0,410	0,306	0,365
4	2017	0,413	0,323	0,378
5	2018	0,422	0,343	0,391
6	2019	0,333	0,401	0,379
7	2020	0,405	0,336	0,386
8	2021	0,420	0,331	0,386
Average		0,412	0,328	0,379

Source: Secondary data, processed.

Inequality in income distribution, as indicated by the magnitude of the Gini coefficient for urban areas, experienced inconsistent development. It decreased in certain years, and in others, it increased. The highest magnitude of the Gini coefficient occurred in 2014 at 0.446 percent and the lowest in 2019 at 0.333 percent. On average, the magnitude of the Gini coefficient in urban areas was 0.412. Both in terms of development per year and on average, the value of the Gini coefficient in urban areas is almost close to 0.5. That means that from 2014-2021, moderate income inequality was in urban areas.

The Gini coefficient of West Nusa Tenggara province compared to the national Gini coefficient is slightly lower for both urban and rural areas. The Gini coefficient of West Nusa Tenggara province is always lower than the national except in 2018 and 2021. Judging from its movement, the Gini coefficient in West Nusa Tenggara tends to increase from 2015-2018, moving down in 2019, increasing again in 2020 and slightly decreasing in 2021. In contrast, the Gini coefficient continues to decline nationally, as shown in the following figure.

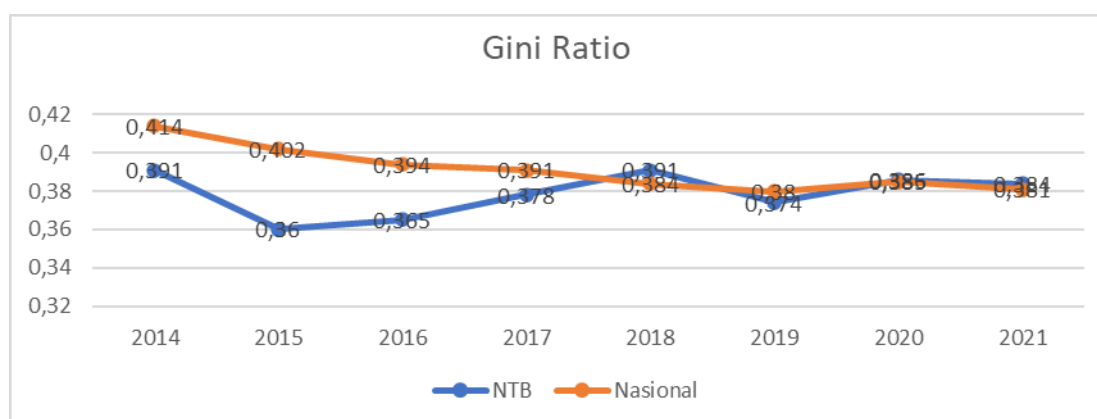


Figure 3. Gini Coefficient or Gini Ratio of Urban and Rural Population in West Nusa Tenggara Province and National in 2014-2021.

The national Gini coefficient moved with a high figure of 0.414 in 2014 and continued to experience changes that continued to decline until it reached 0.380 in 2019, increased again to 0.385 in 2020, and then fell again in 2021. The average national Gini coefficient reached 0.391, which means that nationally, it is still classified as an income distribution with moderate or medium inequality. Although the national Gini coefficient is classified as moderate or medium, it is slightly lower in West Nusa Tenggara. However, in 2021, West Nusa Tenggara province and other provinces have a Gini coefficient above the national level.

The Gini coefficient of West Nusa Tenggara Province and the National, especially the last two years (2020 and 2021), needs to be examined more closely. The Indonesian people have been unhappy in the past two years due to the Covid-19 pandemic. The government has issued various policies regarding handling the COVID-19 pandemic nationally and regionally (provincial, district/city). Policies carried out by the government in all aspects of life, especially the economic sector, have had a huge impact on micro and macroeconomic variables.

The results of the government's economic policies have had an impact on the amount of economic growth achieved in 2020 of 2.07 percent, which has decreased (contraction) compared to the results obtained in 2019 of 5.02 percent. The decline in economic growth in 2020 was also followed by an increase in expenditure inequality, as indicated by the increase in the Gini coefficient compared to 2019. In 2021, economic growth was also increased by a decrease in expenditure inequality, as indicated by a slight decrease in the Gini coefficient of 0.381. That means that changes in economic growth will cause changes in other economic variables. In this case, the fluctuating national economic growth in 2020 and 2021 is followed by a shift in the value of the Gini coefficient, which shows the opposite (negative) direction.

The same condition occurred in West Nusa Tenggara Province. The COVID-19 pandemic has caused the economic performance of West Nusa Tenggara province to experience a negative impact on economic performance. That is evidenced by the decline in economic growth in West Nusa Tenggara province in 2020 to -0.62 percent, experiencing a sharp contraction compared to 2019, which reached 4.76 percent. Along with the decline in the COVID-19 pandemic outbreak, it has impacted economic growth, which is also heading towards positive growth of 2.30 percent in 2021 but is still below national economic growth.

This economic growth has impacted the welfare conditions of the West Nusa Tenggara population, one of which can be seen from the magnitude of the Gini coefficient. It can be seen that the value of the Gini coefficient of West Nusa Tenggara province in 2019 was 0.379, which increased in 2020 to 0.386 and slightly decreased in 2021 to 0.384. Thus, economic growth can impact the distribution of population expenditure.

World Bank Approach

This approach classifies the population based on the percentage of income groups to determine inequality/income. Based on the World Bank criteria, the level of inequality or expenditure/income disparity of the population in West Nusa Tenggara Province can be determined. The distribution of expenditure in West Nusa Tenggara province by combining urban and rural areas shows the condition of expenditure made by the entire community in all urban and rural areas. The expenditure incurred by each resident differs between one another and between urban and rural areas. The varying types of expenditure of the population will also impact changes in the volume of utilization of the types of goods needed. The varied expenditures of a population group will also illustrate the ability of the population in that group to contribute to the total expenditure that occurs in the community.

Population expenditure in urban and rural areas shows different movements in each class of society in West Nusa Tenggara province in 2016-2021. These results illustrate the inequality of expenditure between various classes of the population in West Nusa Tenggara province in the current year. That is clearly shown below.

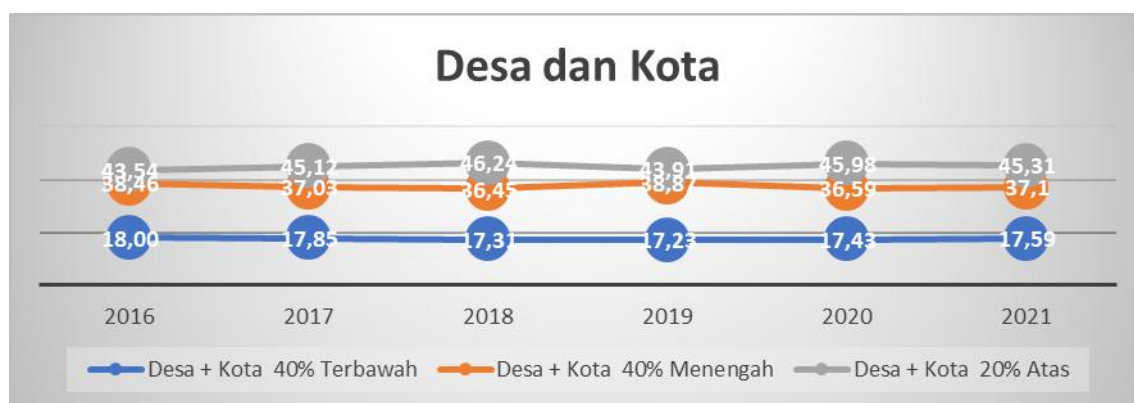


Figure 4. Distribution of Expenditure by Population Group in Rural and Urban Areas in 2016-2021 (percent)

Based on the figure above, it can be seen that 40 percent of the low-income population experienced a decrease in the percentage of expenditure after 2016. From 2017 to 2019, it decreased to 17.23 percent, but from 2020 to 2021, it increased again even though the community was dealing with the COVID-19 pandemic in those years. On average, the percentage of expenditure of this low-income group is 17.57 percent, and there has been a decrease of 0.41 percent from 2016 to 2021, which is classified as "low" inequality.

People in the 40 percent middle-income group in 2016 and 2019 were above 38 percent, but in other years were only above 37 percent. That indicates that changes will follow the decline in the percentage of other population income groups. In 2017, it decreased to 37 percent, but in the 20 percent high-income group, there was a significant increase. On average, the percentage of population expenditure in the 40 percent middle-income group of 37.42 percent is 2 times higher than the 40 percent with low income. That means that the middle-income population has more ability to consume goods and services that are by their abilities. This difference, of course, will further widen the gap between the population in both urban and rural areas. During 2016-2021, there was an increase in the percentage of expenditure in this group of 1.36 percent, much higher than the increase of 40 percent of the low-income population.

The upper 20 percent of the population has a higher percentage of expenditure than the 80 percent of the population with middle and low incomes. That means that almost 50 percent of the total expenditure of the population comes from this group. It can be seen in the figure that in 2016, the amount of expenditure made was 43.54 percent, which increased in 2015 to 45.12 percent and then increased again to 46.24 percent in 2016. It was also the highest expenditure during 2016-2021. Along with the uncertain economic conditions in 2019, the percentage of expenditure decreased to 43.91 percent and was the lowest expenditure during 2016-2021.

The years 2020 and 2021 are unfavorable conditions for the entire community because this year, they are dealing with the COVID-19 pandemic, which impacts the amount of spending or consumption made by the community. However, based on the data above, it can be seen that the percentage of expenditures made by people in this group has increased, which is almost the same as the percentage of expenditures in 2018. This increase is different from what happened to the 40 percent of the population with middle income, which experienced a decrease. This decline may have led to increased expenditure for the low-income population. At the same time, the 40 percent of the population with low incomes also experienced an increase, although it was relatively small.

The average percentage of expenditure of the population belonging to the 20 percent of high or upper-income earners during 2016-2021 was 45.02 percent, an increase of 1.77 percent. According to Maipita (2014), if there is an increase in the expenditure of the population classified as the top 20 percent of high-income earners or greater than other population groups, it will lead to an increase in inequality. That can be seen from the movement of the figure above that the 40 percent of low-income earners experienced a decrease in expenditure of 0.14 percent. The 40 percent of middle-income earners experienced a decrease of 1.37 percent, inversely proportional to the conditions in the 20 percent of the population classified as high or upper-income earners who experienced an increase. Based on the results of the above analysis, it can be seen that the population in West Nusa Tenggara province (urban and rural) during 2016-2021 in terms of expenditure distribution based on World Bank criteria is classified as "low inequality" because on average the percentage of expenditure for the 40 percent of low-income earners is 17.57 percent, slightly above 17 percent.

CLOSING

Conclusion

Based on the discussion and analysis of the objectives, the following conclusions can be drawn: Regarding poverty development, the number of poor people in West Nusa Tenggara during 2014-2021 decreased from 816,622 to 735,301 people. The distribution of poverty lines in both urban and rural areas averaged more than 70 percent to meet food needs while the remaining less than 30 percent to meet non-food needs. People experiencing poverty still focus on meeting their food needs from their income.

Poverty indicator: The percentage of poverty (Po) of the urban and rural population in 2014 amounted to 17.05, and in 2021. On average, the percentage of poor people during 2014-2016 for urban and rural areas was 15.15 percent. The poverty depth index (P1) in 2014 for urban and rural areas amounted to 2.922; in 2021, it amounted to 2.503. On average, the poverty depth index was 2.700 for urban and rural areas. The poverty severity index (P2) in 2014 for rural and urban areas was 0.722; in 2021, for urban and rural areas, it was 0.628. The average poverty severity index (P2) during 2014-2021 is 0.670 for urban and rural area.

Inequality of Population Expenditure: The magnitude of the Gini coefficient of population expenditure in West Nusa Tenggara in 2016 was 0.391 for urban areas, and in 2021 it was 0.386. On average, the magnitude of the Gini coefficient is 0.379. Thus, from 2014-2016, the inequality of expenditure in West Nusa Tenggara in 2021 has decreased from 2014 and is within the "moderate" or medium inequality criteria. Inequality of expenditure for rural and urban areas in 2016: 40% of the low-income population amounted to 38.00%, 40% of the middle-income population amounted to 38.46%, and 20% of the high-income population amounted to 43.54%. In 2021, respectively, 17.59% of the 40% of the low-income population, 37.10% of the middle-income population and 45.31% of the high-income population. On average, the expenditure of 40 % of the low-income population amounted to 17.57 %, the middle-income 37.42 % and the upper-income 45.02 %. That indicates that the inequality of population expenditure in rural areas is classified as "mild or low inequality."

Suggestion

Based on the above conclusions, the following constructive suggestions can be given: The population quality that continues to increase can continue to be pursued by paying attention to fundamental aspects, especially concerning poverty. Poverty policy instruments continue to be intensified, and it is necessary to develop types and ways of overcoming poverty that are more productive, effective and efficient. Inequality in urban areas, which is in the medium category, strives to be better if people who are classified as well-off can pay attention to their brothers and sisters who are still classified as poor. There is a need for a massive movement to distribute financial resources to empower people experiencing poverty.

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