

ABSTRACT

ASMA JUFRIDA RUMANAMA. ECONOMIC DEVELOPMENT DISPARITIES AMONG PROVINCES IN SULAWESI, MALUKU, AND PAPUA REGIONS. SUPERVISED BY: DR. ABDUL CHALID AHMAD, SE., M.SC. AND DR. RIZAL RAHMAN TEAPON SE., M.SI.

Regional inequality, particularly the economic development gap between regions, remains an unresolved issue in Indonesia. While some regions experience rapid expansion, others in eastern Indonesia see slow growth. A significant disparity between regions can negatively impact the economy, society, and politics by leading to suboptimal resource utilization and fostering uneven economic growth. Consequently, a more in-depth analysis of the effects of Gross Regional Domestic Product (GRDP), Human Development Index (HDI), Open Unemployment Rate (TPT), and Poverty Rate on this economic development gap is necessary. This study aims to visually represent the regional disparities, define the classification system used, and examine the impact of macroeconomic indicators—such as GRDP, TPT, HDI, and Poverty Rate—on the economic development gap. The analytical approach incorporates the Williamson Index and Klassen Typology across 10 provinces in the eastern regions of Sulawesi, Maluku, and Papua, covering the period from 2013 to 2022.

This study is based on secondary data, processed using Eviews 12 software, with statistical testing conducted through panel data regression. The findings indicate that Papua and West Papua provinces had the highest Williamson Index between 2013 and 2022, consistently recording an index above 1, which reflects significant inequality in regional development within these provinces. In contrast, Maluku, Gorontalo, West Sulawesi, and North Maluku provinces showed more balanced regional development, with an average Williamson Index below 0.5. The Klassen Typology results reveal that the developed and rapidly growing regions (Quadrant I) are Central Sulawesi and Papua Provinces. Developed but stagnating regions (Quadrant II) include South Sulawesi, North Sulawesi, and West Papua. Rapidly developing regions (Quadrant III) include North Maluku Province, while the relatively underdeveloped regions (Quadrant IV) are Southeast Sulawesi, Gorontalo, West Sulawesi, and Maluku.

Panel data regression analysis, using the Chow Test and Hausman Test with the Fixed Effect Model (FEM), shows that: (1) GRDP has a significant positive effect on regional inequality; (2) the Human Development Index (HDI) has a significant negative effect on regional inequality; (3) the Open Unemployment Rate has a negative but not significant effect; and (4) the Poverty Rate has a significant positive effect on regional inequality in the 10 provinces studied across the Sulawesi, Maluku, and Papua regions.

Keywords: *Regional Inequality, Williamson Index, Klassen Typology, GRDP, Human Development Index, Open Unemployment Rate, Poverty Rate.*

