The disparity of Economic Development and Social in Coastal Area of East Java

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Abstrak. Fast, fair and equitable economic development need to be achieved in every economic activity both nationally and regionally to achieve public welfare as the purpose of economic development. The research question is whether there is economic growth inequality that is plagued by high gini ratio, poverty and human development index and social vulnerability in coastal areas of East Java. Also, whether there is an imbalance in development orientation between the typologies of the East Java coastal region. The study aims to analyze the economic growth by assessing gini ratios, poverty, open unemployment, human development index and social vulnerability rates. This is to identify the interrelationships inequality of economic growth with the level of social vulnerability. The method used in the research is correlation analysis and analysis of different tests of economic growth. It was concluded that there was a link between inequality in economic growth and social vulnerability between the typologies of the northern coastal area (Pantura) and the southern coastal area (Pansela). There is an inequality in development orientation between the typologies of Pantura and Pansela region.

Kata Kunci: Economic Growth, Social Vulnerability, Coastal Area.

1. Introduction

Planned development which involves all the resources that exist in society in all sectors of life is the basic principles of development. Development is expected to run evenly and balanced with the goal of improving welfare, improving living standards, and increasing community prosperity. In fact, the speed and pace of development in each region are not the same. Often the development of an area runs quickly, otherwise, other areas are running slow which causing inequality among regions [1].

Development inequality among regions is due to differences in natural resources, demographic conditions, the concentration of economic activities, and allocation of development funds. Economic growth has a negative correlation with the development inequality, meaning that if the rate of economic growth increases, development inequality decreases [2].

Basically, economic development aims to reduce inequality of people lives in various regions. Inequality in economic growth is one of the biggest challenges in Indonesia, as well as the biggest threat to social stability and economic growth. Indonesia which has diverse ethnicity and religion, different socio-economic levels and the distribution of population and natural resources somehow create inequality. Therefore, programs to reduce inequality in economic growth must be part of the economic and social policy framework [3].

On the other hand, the ability of a region to advance its territory is influenced by various factors. The factors that influence economic growth need to be investigated in order to

determine the right policies in increasing economic growth in relatively underdeveloped regions.

2. Research's Question, Purpose, and Outcome

Research questions that need to be investigated:
a. Is there any correlation between the imbalance of economic growth and social vulnerability in the coastal areas of East Java?
b. Is there any development orientation inequality in the coastal areas of East Java?

Research Purpose:
a. Analyzing the profile of economic growth from the Gini ratio, poverty, open unemployment, human development index, and social vulnerability.
b. Identifying development orientation: the correlation between the inequality of economic growth and the level of social vulnerability.

Expected Outcome:
a. Understanding the profile of economic growth from the gini ratio, poverty, open unemployment, human development index, and social vulnerability.
b. Understanding the orientation of development particularly the correlation of inequality in economic growth with the level of social vulnerability.
c.

Hypothesis:
a. It is suspected that there is an inequality between economic growth and social vulnerability.
b. It is suspected that there is an inequality in development orientation, namely the linkage of inequality in economic growth to the level of social vulnerability.

3. Literature Review

3.1 Income Distribution

Economic growth has a positive and significant effect on the inequality of income distribution. Infrastructure development, exports, and investments have also a significant effect on reducing the inequality of income distribution [4]. The greater the income inequality of the community, the greater the variation in income distribution. Government is expected to not only pursue an increase in economic growth but also strive for social welfare and income distribution [5].

Income distribution is the process of distribution or distribution of assets from the owner to those who have the right to receive it. The process is either through a commercial distribution process or through a process that emphasizes aspects of social justice. The main principle that determines the distribution of wealth is justice and brotherhood [6]. Income distribution considered as the most important part of forming welfare. The impact of income distribution is not only economic but also social and political aspects [7].

3.2 Poverty

Poverty is not merely a lack of income to meet basic life needs or a decent standard of living. Empowerment is also important which not only strengthening individual members of the community but also social institutions. [8]. Partial test in results suggested that cultural variables have a positive and not significant effect on poverty, human resource variables have

a positive and significant effect on poverty, and religious variables have a positive and significant effect on poverty. However in Simultaneous testing, variables of culture, human resources and religion together have a significant effect on poverty [9].

3.3 Open Unemployment

The rate of economic growth has a negative and significant effect on the level of open unemployment. The growth of economy means that there has been an increase in the production of goods and services because the increase in the production of goods and services eventually will cause an increase in the factors of production, one of which is labor. The workforce has a positive and significant effect on the level of open unemployment. While Education can reduce the number of unemployed [10].

The research results showed that there was no effect of inflation on the unemployment rate in Indonesia in 1989-2016. Indonesian inflation does not always have a significant effect on the unemployment rate. There is no effect of economic growth on the unemployment rate. However, there is a positive and significant influence between the unemployment rate and the unemployment rate [11].

3.4 Human Development Index

Partially the economic growth variable has a positive and significant effect on the human development index. Poverty variables have a significant negative effect on the human development index. On the other hand, The Regional Expenditure variable has a positive and significant effect on the human development index. Simultaneously, it has a significant effect on the human development index [12]. Human Development Index has no influence on poverty. The increase in Gross Domestic Product causes a decrease in poverty [13]. Poverty has a significant and significant effect on the human development index. As indicated that every change in economic growth affects the human development index [14]. GRDP has a positive effect on the Human Development Index. The high output growth makes changes in consumption patterns in meeting needs [15].

4. Method

4.1 Data Sources and Research Areas

The profile of economic growth is seen from the Gini ratio factor, poverty rates, open unemployment, human development index numbers and social vulnerability rates. The typology of the research area covers the area of the Northen Coastal (Pantura), the Mainland region and the Southern Coastal Area (Pansela).

4.2 Analysis Method

Simple linear regression analysis and different test analysis. The t-test of the two free samples in question is an unpaired sample. A different test is carried out with two alternative methods, namely the parametric statistical test or the non-parametric statistical test. If the test results show that data is normally distributed then parametric statistical tests are used [16].

5. Result and Discussion

5.1 Profile and Different test

5.1.1 Gini Ratio Index

Table 1. Profile of Gini Ratio for East Java Coastal Areas 2008-2017

No	Area	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017	Average
1	Pantura	0.28	0.27	0.25	0.29	0.31	0.31	0.28	0.31	0.31	0.32	0.29
2	Mainland	0.26	0.26	0.25	0.30	0.32	0.31	0.30	0.33	0.33	0.33	0.30
3	Pansela	0.27	0.27	0.27	0.32	0.31	0.32	0.29	0.34	0.34	0.34	0.31

NB.
Pantura = Northern Coastal Area of East Java
Pansela = Sourthern Coastal Area of East Java

When a different test is carried out, between the northern coast region - the mainland: decisions are not significantly different. Tests of difference between the northern coast region - the Pansela region and the Mainland - the Pansela produced a significantly different decision.

Table 2. Profile Different Test based on Gini Ratio Index

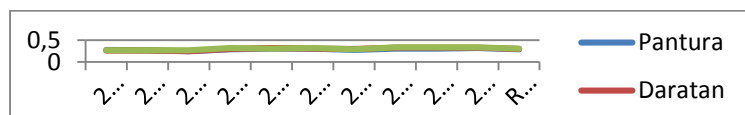| No	Area	Different Test
1.	Gini Ratio Index	
	a. Pantura – Mainland	No Different
	b. Mainland - Pansela	Significantly Different
	c. Pantura - Pansela	Significantly Different

Fig. 1. Profile of Gini Ratio for East Java Coastal Areas 2008-2017

5.1.2 Poverty Rate

Table 3. Profile of Poverty Rate for East Java Coastal Region 2008-2017

No	Area	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017	Average
1	Pantura	227.29	202.84	195.23	182.96	174.74	171.24	166.91	169.06	168.20	165.20	**182.367**
2	Mainland	152.06	136.14	125.68	117.57	112.26	110.24	107.34	108.52	106.52	100.02	**117.635**
3	Pansela	213.92	189.67	180.13	168.78	161.19	147.33	155.62	156.89	154.17	146.64	**167.434**

When testing the difference between the northern coastal region and the Mainland region, the Mainland region and the Pansela region, and the northern coast region with the Pansela region, the decision was significantly different.

Table 4. Profile of Different Tests of Coastal Areas based on Poverty Rate

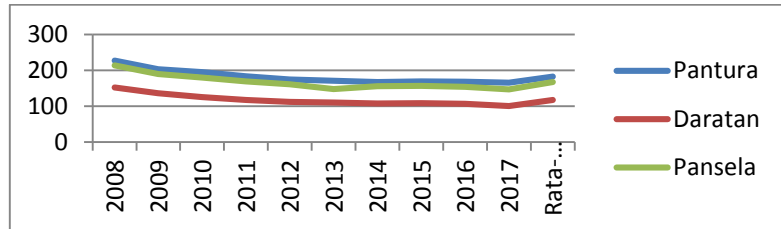| No	Area	Different Test
1.	Poverty Rate	
	Pantura - Mainland	Different
	Mainland - Pansela	Different
	Pantura - Pansela	Different

Fig. 2. Profile of Poverty Rate for East Java Coastal Region 2008-2017

5.1.3 Open Unemployment Rate

Table 5. Profile of the 2008-2017 East Java Coastal Unemployment Rate

No	Area	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017	Average
1	Pantura	6.50	5.18	4.45	5.18	4.67	4.08	3.85	4.51	4.23	3.95	4.66
2	Mainland	6.14	4.78	4.08	5.40	3.84	3.94	3.84	4.40	4.15	3.91	4.45
3	Pansela	4.84	3.88	2.98	4.30	3.28	3.53	3.91	3.34	3.13	2.91	3.61

When the difference between the Pantura region and the Mainland region was tested, the Mainland with the Pansela region and the Pantura region with the Pansela region resulted in significantly different decisions. This shows that the 3 typologies of the region differ from each other regarding the number of open unemployment.

Table 6. Profile of Different Areas of Coastal Test based on Open Unemployment Rate

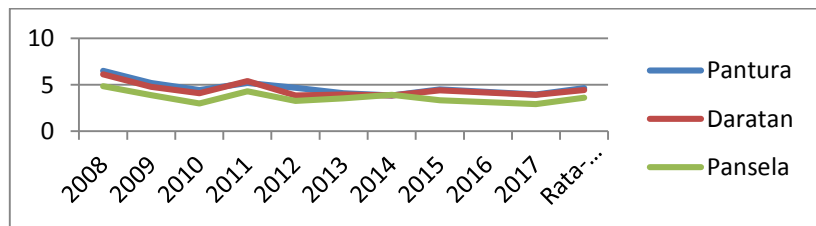| No	Area	Different Test
1.	Open Unemployment Rate	
	a. Pantura - Mainland	Different
	b. Mainland - Pansela	Different
	c. Pantura - Pansela	Different

Fig. 3. Profile of the 2008-2017 East Java Coastal Unemployment Rate

5.1.4 Human Development Index (HDI)

Table 7. Profile of the Human Development Index (HDI) of the East Java Coastal Region 2008-2017

No	Area	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017	Average
1	Pantura	62.87	63.65	64.44	65.26	66.29	67.38	67.85	68.54	69.15	69.94	66.54
2	Mainland	63.64	64.39	65.14	66.12	67.19	67.93	68.35	69.03	69.62	70.37	67.18
3	Pansela	62.18	62.80	63.41	64.13	64.79	65.46	65.85	66.67	67.48	68.10	65.09

NB :
1. *Low HDI*   *: 0,000 − 0,499.*
2. *Medium HDI*   *: 0,500 − 0,799*
3. *High HDI*   *: 0,800 − 1,000.*

The test of the difference between the northern coastal region and the Mainland region, the Mainland region and the Pansela region and the northern coastal region of the Pansela region is significantly different.

Tabel 8. Profile of Different Coastal Areas Test on the basis of the Human Development Index

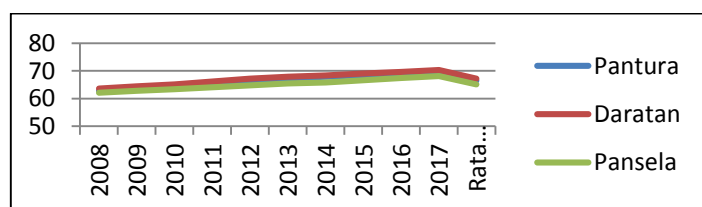| No	Wilayah	Different Test
1.	Human Development Index (HDI)	
	a. Pantura – Mainland	Different
	b. Mainland – Pansela	Different
	c. Pantura – Pansela	Different

Fig. 4. Profile of the Human Development Index for East Java Coastal Areas 2008-2017

5.1.5 Social Vulnerability

Table 9. East Java Coastal Region Social Vulnerability Profile 2008-2017

No	Description	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017	Average
1	Pantura	249	498	747	996	884	862	1008	1178	1224	1270	892
2	Mainland	150	300.4	450.2	600.1	631.6	627.5	527	538.5	523.3	508	486
3	Pansela	301	602	902	1202	901	890	864	884	805	725	808

The test of the difference between the northern coastal region and the mainland region, the mainland region and the Pansela region together resulted in significantly different decisions. The two typologies of the region differ from each other regarding social vulnerability. The Pantura region - the Pansela region, results were not significantly different.

Tabel 10. Profile of Coastal Areas Differential Test based on Social Vulnerability Rates

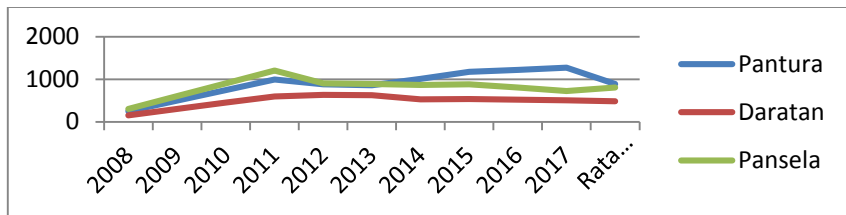| No	Area	Different Test
1.	Social Vulnerability	
	a. Pantura - Mainland	Different
	b. Mainland - Pansela	Different
	c. Pantura - Pansela	No Different

Fig. 4. East Java Coastal Region Social Vulnerability Profile 2008-2017

5.2 Correlation Test

5.2.1 Test the Correlation of Gini Ratios to the Number of Social Vulnerability

Table 11. Profile of Correlation Test of Gini Ratios to the Number of Social Vulnerability

No	Area	Correlation Test
1.	Gini Ratio with Social Vulnerability	
	a. Pantura	Has Influence
	b. Mainland	Has Influence
	c. Pansela	No Influence

In table 11: between the Gini ratio figures and the number of social vulnerabilities in the northern coast region: influential, so does the Mainland region. In the Pansela region, the Gini figures for social vulnerability in the northern coast region: no influence.

5.2.2 Test the Correlation of Poverty Rate to Number of Social Vulnerability

The results of the calculation of the correlation test between the poverty figures for the Social Vulnerability figures are presented in Table 12 below:

Table 12. Profile Test the Correlation of Poverty Rate to Number of Social Vulnerability

No	Area	Correlation Test
1.	Poverty with Social Vulnerability	
	a. Pantura	Has Influence
	b. Mainland	Has Influence
	c. Pansela	No Influence

In Table 12, the poverty rate with the number of social vulnerabilities in the northern coast region: influential, as well as the mainland. In the Pansela region the poverty rate with the number of social vulnerabilities in the northern coast region: no influence.

5.2.3 Test the Correlation of Open Unemployment Rate to Social Vulnerability

Table 13. Profile Test of Correlation of Open Unemployment to Social Vulnerability

No	Area	Correlation Test
1.	Unemployment Rate with Social Vulnerability	
	a. Pantura	Has Influence
	b. Mainland	Has Influence
	c. Pansela	No Influence

The Open Unemployment Rate with the number of social vulnerability in the northern coastal region is influential, also Mainland. In the Pansela region, the Open Unemployment

rate with the number of social vulnerability in the northern coastal region has no influence.

5.2.4 Correlation Test of Human Development Index for Social Vulnerability

Tabel 14. Profile Test the Correlation of HDI Numbers to Numbers of Social Vulnerability

No	Area	Correlation Test
1.	HDI Numbers to Numbers of Social Vulnerability	
	a. Pantura	Has Influence
	b. Daratan	Has Influence
	c. Pansela	No Influence

6. Discussion and Conclusions

6.1 Discussion

In general, the potential of natural resources such as geographical characteristics and the character of its human resource culture which includes socio-economic aspects in three regional typologies is indeed different. Economic independence is evident in the Pansela region, while in the Mainland the social independence is more visible and prominent when compared to the other two regional typologies. For the Pantura region, economic interaction is formed with the economic system of the Mainland. The economic interaction of the northern coast region brings the characteristics of social life. Infrastructure in the mainland and the northern coastal regions has already formed when compared to the Pansela region. The availability of infrastructure further affects the economic growth of the region. In the long term, there will be a development orientation in each region.

6.2 Conclusion

The Pantura and Mainland typology show a relationship between the gini ratio, poverty and the human development index for social vulnerability. The Pansela typology does not show a relationship between the gini ratio, poverty and the human development index for social vulnerability. There is a correlation between inequality in economic growth and social vulnerability between the typologies of the northern coast and the Pansela region. There is an inequality in development orientation between the typologies of the northern coast and the Pansela region.

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