

# **THE SPLIT REGENCY, DEVELOPMENT INEQUALITY AND THE NUMBER OF POVERTY INTRA KABUPATEN-KOTA IN SOUTH SUMATERA PROVINCE**

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## **ABSTRACT**

This research aims to analyze the split regency, inequality and poverty intra kabupaten-kota in South Sumatera. This research uses Williamson index and Klassen Typology based on PDRB data and number of poverty.

Based on Klassen typology, there is movement of position in the ranking kabupaten-kota. In 1996-2001 or before split regency, Muara Enim is rapid regency, Palembang is retarded regency, Musi Rawas, OKI and Lahat is growing regency and OKU and Muba is relatively backward regency. In this period most of regency, about 42.85 percent is in third quadrant, which is rapid growth regency, about 28.57 percent is in relatively backward regency and the rest regency is retarded regency.

In 2002-2007 or after split regency, the rapid growth is Palembang and Muba, the retarded regency is OKU, Muara Enim and Prabumulih. As growing regency is OKU Timur and as relatively backward regency is OKI, Lahat, Musi Rawas, Banyuasin, OKU Selatan, Ogan Ilir, Pagar Alam and Lubuk Linggau. In this period about 57.14 percent is in the position relatively backward regency, where about 62.5 percent of this is the split regency.

During 1996-2001 based on PDRB oil-gas, the inequality intra regency by excluding Palembang (IW average = 0.514) tend to increase, if we compare the index by including Palembang (IW average = 0.381). Based on PDRB non oil-gas if we exclude Palembang (IW average = 0.300), then inequality tend to decrease compare to if we include Palembang (IW average = 0.338). Inequality intersection based on PDRB oil-gas, if we include all sector, the inequality is relatively low (IW average = 0.433) or IW under 0.5. However, without farming sector the inequality tend to increase (IW average = 0.639), but without industry sector the inequality tend to decrease (IW average = 0.350). Based on PDRB non oil-gas, by including all sectors, then the condition tend to equal (IW average = 0.342). But without farming sector the inequality tend to increase (IW average = 0.762) and tend to decrease if we exclude the industry sector (IW average = 0.327)

During 2002-2007 based on PDRB oil-gas, the inequality intra regency by excluding Palembang (IW average = 0.684) is not quite difference, if we index by including Palembang (IW average = 0.630). But on PDRB non oil-gas, if we exclude Palembang (IW average = 0.267), then inequality tend to decrease compare to if we include Palembang (IW average = 0.397). Inequality intersection based on PDRB oil-gas, if we include all sector, the inequality is relatively high (IW average = 0.63) because IW value is over 0.5. However, without farming sector or industry sector the inequality tend to increase (IW average = 0.639), but without industry sector the inequality tend to decrease (IW average = 0.791 and 0.706). Based on PDRB non oil-gas, by including all sectors, then the condition tend to low (IW average = 0.35), because IW value under 0.5. But without farming sector the inequality tend to increase (IW average = 0.619) and tend to decrease if we exclude the industry sector.

If Klassen Typology relates to the number of poverty, there is the adequate level for Palembang, which is in the second quadrant and the position ranking the number of poverty is fourteenth (The lowest). OKU in the second quadrant and the number of poverty is ninth. Muara Enim is third quadrant and the position is seventh. In Fourth quadrant that are OKI in fourth position, Lahat in second position, Musi Rawas in first position, Banyuasin in sixth position and Ogan Ilir in fifth position. An in the extreme quadrant that are Muba, Prabumulih, OKU Selatan, Pagar Alam dan Lubuk Linggau.

**Key words:** Inequality, economic growth, income per-capita and the number of poverty

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## 1. Introduction

The opportunity to develop regency is more open since regency autonomous applied. South Sumatera Province consist 8 new regency/municipality, the result of split regency. In 2001 Pagar Alam municipality, Prabumulih municipality, and Lubuk Linggau municipality were split. Then in 2002 Banyuasin regency, Ogan Ilir regency, East OKU regency, and South OKU regency were also split. At last in 2003 Empat Lawang regency was split.

Authority implication in order to develop the larger regency or municipality caused different economic growth achievements, different income per-capita and poverty level of the regencys.

## 2. Conceptual Frame

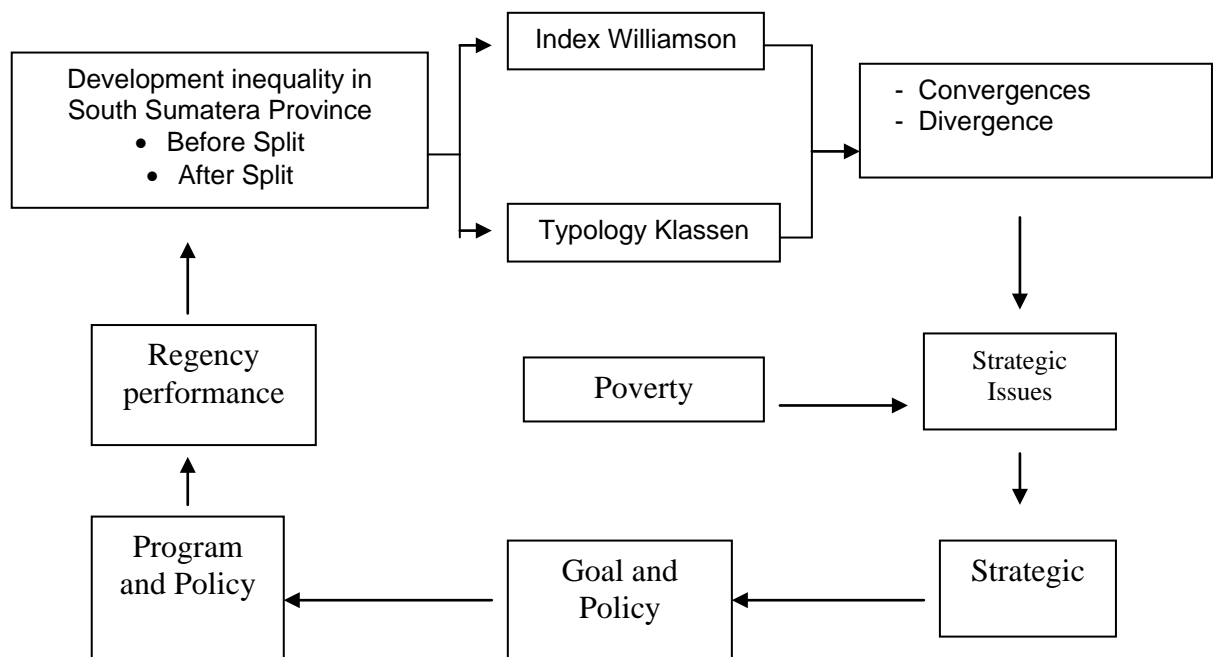


Figure1. Conceptual Frame

### 3. Result and Analysis

#### 3.1. Economic Growth and Income Per-capita Before Split (1996-2001)

Economic growth and income per-capita of regency or municipality during 1996-2001 is used to show relative economic structure position of each regency or municipality before splits (see Table 1 and 2).

**Table 1.**  
**Result of Regency or Municipality Typology Klassen**  
**In South Sumatera Province 1996-2001 (Non-oil and gas)**

	$Y_i > Y$	$Y_i < Y$
$r_i > r$	<b>I. Rapid growth region</b> Muara Enim	<b>III. Retarded regency</b> 1. Musi Rawas 2. OKI 3. Lahat
$r_i < r$	<b>II. Growing regency</b> Palembang	<b>IV. Relatively backward region</b> 1. OKU 2. Muba

Notes:

- $y_i$  : Income Per-capita of Regency or municipality
- $y$  : Income Per-capita of South Sumatera Province
- $r_i$  : Economic Growth of regency or municipality
- $r$  : Economic Growth of South Sumatera Province

**Table 2.**  
**Economic Growth and Income per-capita of Regency or Municipality**  
**in South Sumatera Province 1996-2001**

Regency/ Municipality	1996		1997		1998		1999		2000		2001	
	R	y	r	y	R	y	r	y	R	y	r	y
OKU	7,00	1.190	2,47	1.107	6,93	1.163	1,23	1.071	3,52	1.073	5,56	1.099
OKI	10,10	1.043	5,08	1.176	4,47	1.159	1,99	1.089	2,6	1.094	4,55	1.114
M.Enim	10,68	1.293	4,67	2.909	4,88	1.954	2,00	1.843	3,3	1.886	3,62	1.891
Lahat	7,27	800	7,50	1.293	5,75	1.313	0,28	1.212	2,58	1.182	3,79	1.189
MURA	8,95	647	5,17	1.102	3,14	1.175	2,25	1.111	4,31	1.105	4,29	1.145
MUBA	0,96	1.562	4,23	1.422	6,67	1.634	0,43	1.552	0,34	1.525	3,87	1.488
PLG	8,99	2.847	6,46	2.182	12,5	2.589	3,02	2.219	5,01	2.242	4,48	2.309
SUMSEL	8,79	1.888	6,27	1.663	5,31	1.675	2,06	1.554	0,71	1.555	4,22	1.537

Source: BPS Regency/Municipality in South Sumatera

Notes: r: Economic Growth (%);

y: income Per-capita (in thousand IDR)

Based on the table, shown that most regencys or municipality in South Sumatera during 1996-2001 (before split) gets into *third Quadrant* position which means *retarded regency* that reaches 42.85 percent. 28.57 percent for relatively *relatively backward region* and the others as *growing regency* and *rapid growth region*

### 3.2. Economic Growth and Income Per-capita After Split (2002-2007)

Regency or municipality split seems changes of relative position on economic model and structure of regency or municipality in South Sumatera. The changes show by typology analysis Klassen in South Sumatera by using economic growth and income per-capita data of regency or municipality in South Sumatera 2002-2007.

After Regency or municipality split, it is position of relative economic regency movement in South Sumatera which is about 57.14% of left behind regency. 62.5% of that left behind regency is the result of regency or municipality split, such as Banyuasin, South OKU, Ogan Ilir, Pagar Alam, and Lubuk Linggau (See Table 3 and 4).

**Table 3.**  
**Analysis result of Regency or municipality typology Klassen**  
**in South Sumatera Province 2002-2007 (Non-oil and gas)**

	$Y_i > Y$	$Y_i < Y$
$r_i > r$	<b>I. Rapid growth region</b> 1. Palembang 2. Musi banyuasin	<b>III. Retarded regency</b> OKU Timur
$r_i < r$	<b>II. Growing regency</b> 1. Muara Enim 2. OKU 3. Prabumulih	<b>IV. Relatively backward region</b> 1. OKI 2. Lahat 3. Musi Rawas 4. Banyuasin 5. OKU Selatan 6. Ogan Ilir 7. Pagaralam 8. Lubuk Linggau

$Y_i$  : Income Per-capita of Regency or municipality  
 $Y$  : Income Per-capita of South Sumatera Province  
 $R_i$  : Economic Growth of regency or municipality

**Table 4.**  
**Classification of Economic Growth and Income percapita**  
**Regency or municipality In South Sumatera Province 2002-2007**

Regency/Municipality	Average	
	Economic growth (%)	income per-capita (in thousand IDR)
1. Ogan Komering Ulu	4,89	5.578
2. Ogan Komering Ilir	5,22	3.626
3. Muara Enim	4,87	6.109
4. Lahat	4,92	4.482
5. Musi Rawas	5,72	3.600
6. Musi Banyuasin	6,84	6.927
7. Banyuasin	5,53	3.834
8. OKU Selatan	5,18	2.924
9. OKU Timur	7,90	3.042
10. Ogan Ilir	4,51	3.604
11. Palembang	7,62	7.892
12. Prabumulih	6,02	5.324
13. Pagaralam	3,42	4.044
14. Lubuk Linggau	5,66	4.628
Sumatera Selatan	6,24	5.145

Source: BPS Regency/Municipality in South Sumatera

### 3.3. Development Inequality in South Sumatera Province

Based on Index Williamson in Table 5 and 6 shows that development inequality in South Sumatera during 1996-2001 (before regency or municipality split) both PDRB oil-gas and non-oil and gas shows the lower point than period 2002-2007 (after split). It identifies that the condition influences more convergence before regency or municipality split. Meanwhile in Table 6, shows that development inequality in South Sumatera after regency or municipality split based on both PDRB oil-gas and non-oil-gas shows the increase that identifies the worse inequality in after split period.

**Table 5.**  
**Index Level Williamson (Vw) in South Sumatera 1996–2001**

PDRB Oil&Gas		PDRB Non-Oil&Gas	
Year	Vw	Year	Vw
1996	0,376	1996	0,323
1997	0,354	1997	0,325
1998	0,382	1998	0,334
1999	0,377	1999	0,337
2000	0,399	2000	0,351
2001	0,400	2001	0,359
Average	0,381	Average	0,338
Std. Deviation	0,0171	Std. Deviation	0,014289

**Table 6.**  
**Index Level Williamson (Vw) in South Sumatera 2002–2007**

PDRB Oil&Gas		PDRB Non-Oil&Gas	
Year	Vw	Year	Vw
2002	0,663	2002	0,365
2003	0,658	2003	0,375
2004	0,637	2004	0,388
2005	0,623	2005	0,391
2006	0,606	2006	0,420
2007	0,591	2007	0,444
Average	0,630	Average	0,397
Std. Deviation	0,028521	Std. Deviation	0,029539

During the period 1996-2001 on PDRB oil & gas, Inequality occurred among Regency or Municipality “without” Palembang Municipality (IW average = 0.514) influenced increase compared “with” Palembang municipality (IW average = 0.381). Contrary to PDRB non-oil and gas “without” Palembang municipality (IW average = 0.300), so the inequality influenced decrease compared with “with” Palembang municipality (IW average = 0.338). It shows that the position of Palembang municipality significantly affects to development inequality in South Sumatera Province, that the development in Palembang municipality indeed inequality with other regencys or cities.

**Table 7.**  
**Inequality Index Matrix (IK) in South Sumatera Province 1996-2001**

Classifica tion	Inequality among Regencys/Cities		Inequality among Sectors		
	All Regencys/Cities	All Regencys or Cities *	Nine Sectors	Eight Sectors**	Eight Sectors***
“With” oil-gas	0,381	0,514	0.433	0,639	0,350
“Without” oil-gas	0,338	0,300	0,342	0,762	0,327

\*= “without Palembang Municipality

\*\*= “without” Farming Sector

\*\*\*= “without” Industrial/manufacture Sector

During period 2002-2007 “with” PDRB oil-gas, inequality occurred among regencys/cities “without” Palembang municipality (IW average = 0.684) not quite different to “with” Palembang municipality (IW average = 0.630). But PDRB non-oil and gas “without” Palembang municipality (IW average = 0.267), so inequality influences decrease than “with” Palembang municipality (IW average = 0.397). It shows that Palembang municipality is still one of cities influencing inequality among regencys/cities in South Sumatera Province at after Autonomous regency era (regency split).

**Table 8.**  
**Inequality Index Matrix (IK) in South Sumatera Province 2002-2007**

Classifica tion	Inequality Among Regencys/Cities		Inequality Among Sectors		
	All Regencys/Cities	All Regencys/Cities*	Nine Sectors	Eight Sectors**	Eight Sectors***
“With” oil-gas	0.630	0.684	0.630	0.791	0.706
“Without” oil-gas	0.397	0.267	0.350	0.619	0.244

\*= “Without” Palembang municipality

\*\*= “without” Farming Sector

\*\*\*= “Without” industrial/manufacture sector

### 3.4. Poverty in South Sumatera Province

Overlay analysis between economic growth and income per-capita with poverty is something interesting. Based on Table 1, Table 2, Table 3, Table 4, and Table 10 known that Palembang municipality is in quadrant I after split, in fact the poor people number is the lowest. While Muba regency is in quadrant I, in fact the poor people number in high. But, Pagar

Alam municipality in quadrant IV has low number of poor people. In detail, it can be seen in Table 9.

**Table 9. Poor People in Regency/Municipality  
South Sumatera Province 2004-2007**

No	Regency/Municipality	Number of				Percentage of			
		Poor				Poor			
		People				People			
		(000)				(%)			
		2004	2005	2006	2007	2004	2005	2006	2007
1.	OKU	201.4	45.2	46.1	40.6	18.16	17.59	17.8	15.69
2.	OKI	218.9	161.6	174.1	152.7	22.02	24.47	25.93	22.5
3.	Muara Enim	138.3	140.3	140.7	128.5	22.34	22.03	21.88	19.87
4.	Lahat	160.2	162.6	163.1	94.9	29.61	29.57	29.67	28.09
5.	Musi Rawas	164	166.4	166.9	160.3	35.4	34.82	34.49	32.93
6.	Musi Banyuasin	164.4	171.3	171.8	165.6	36.39	36.28	35.52	33.6
7.	Banyuasin	147.3	149.5	149.9	136.8	20.86	20.22	19.81	17.72
8.	OKU Selatan		58.8	67.8	61.2		18.42	21.06	18.96
9.	OKU Timur		102.8	103.1	90.7		18.38	18.26	16.03
10.	Ogan Ilir		85.5	82.7	79.6		23.75	22.67	21.57
11.	Empat Lawang				49.7				23.5
12.	Palembang	124.1	125.9	126.3	124.4	9.57	9.35	9.23	8.98
13.	Prabumulih	15.8	15.5	12.3	10.0	12.41	11.83	9.33	7.57
14.	Pagar Alam	16.9	15.2	13.7	11.2	14.91	13.2	11.88	9.75
15.	Lubuk Linggau	28	28.4	28.5	25.6	16.42	16.11	16.01	14.25
	<b>Sumsel</b>	<b>1379.3</b>	<b>1429</b>	<b>1446.9</b>	<b>1331.8</b>	<b>20.92</b>	<b>21.01</b>	<b>20.99</b>	<b>19.15</b>

**Table10.  
Grouping Regency-Municipality Based on Poor People  
In South Sumatera Province 2004-2007**

	<b>I. Rapid growth region</b> 1. Palembang 2. Prabumulih 3. Pagaralam	<b>III. Retarded regency</b> 1. Muara Enim 2. OKI 3. OKU Selatan 4. Ogan Ilir
	<b>II. Growing regency</b> 1. OKU 2. Banyuasin 3. OKU Timur 4. Lubuk Linggau	<b>IV. Relatively backward region</b> 2. Lahat 3. Musi Rawas 4. Muba 5. Empat Lawang

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