

ECONOMIC GROWTH AND REGIONAL DEVELOPMENT DISPARITY IN SOUTH SULAWESI

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Abstract

This study aims to analyze the relationship between economic growth and disparity of regional economic development in regencies/cities of South Sulawesi. The Klassen Typology and Williamson Index are adopted to plot the rate of economic growth and income disparity during 2005-2010. The results show that the development of economic in the City of Parepare and Palopo and Regency of North Luwu are able to create simultaneously higher economic growth rate and more equitable distribution of income. While the other regions are not able to reach those two indicators of regional development at the same time including the more advance economics of Makassar City.

Keyword: Economic growth, regional development disparity, Klassen Typology, Williamson Index
JEL classification numbers: O40, R10

Abstrak

Penelitian ini bertujuan untuk menganalisis hubungan antara tingkat pertumbuhan ekonomi dan tingkat disparitas pembangunan ekonomi pada kabupaten dan kota di Propinsi Sulawesi Selatan. Model Tipologi Klassen dan Indeks Williamson digunakan untuk memetakan tingkat pertumbuhan ekonomi dan tingkat disparitas pendapatan selama kurun waktu 2005-2010. Hasil menunjukkan bahwa pembangunan ekonomi di Kota Parepare dan Palopo dan Kabupaten Luwu Utara secara simultan mampu menciptakan tingkat pertumbuhan ekonomi yang lebih tinggi dan distribusi pendapatan yang lebih merata. Sedangkan daerah lainnya tidak mampu mencapai dua indikator pembangunan daerah tersebut pada saat yang bersamaan termasuk di dalamnya Kota Makassar yang relatif sudah lebih maju.

Kata kunci: Pertumbuhan Ekonomi, disparitas pembangunan, Klassen Typology, Williamson Index
JEL classification numbers: O40, R10

INTRODUCTION

Basically a whole series of economic development activities undertaken by human beings as economic actors, both in his capacity as consumers, producers and distributors, in order to improve their welfare. The results of a process of economic development by economic actors in a country or region is the achievement of economic progress of society in the country or region that because of the increase in the number and quality as well as the diversity of goods and services (products) that can they produce and consume from time to time (A.R.

Razak, 2009). In addition, according Suryana (2000) that economic development is a process that can lead to per capita income of the population of a society increases in the long run. This definition contains three elements, namely: (1) economic development as a process of continuous change means that in it already contains elements of its own power for the new investment, (2) an attempt to increase per capita income, (3) increase in per capita income should take place in the long run.

However, we need to realize that in an effort to improve the socio-economic

welfare of the public, the basic objective of economic development not only for the pursuit of economic growth (GDP or PDRB), but also to create an equitable distribution of income in the community because of the in inequality of income distribution in a area is also quite difficult development problems facing the regions in Indonesia. Therefore, the problem of development disparities between regions have long been a thorny problem faced in the implementation of economic development in developing countries, including Indonesia.

Therefore, the problem of distribution of development outcomes obtained from a development process conducted in each region in Indonesia is one of the very complex problems faced in order to realize simultaneously the twin goals of economic development, namely to realize a high rate of economic growth coupled with a high level of distribution of development is also to create a welfare society in the region. This is what attracted many economists to conduct research on the issue, such as J.G. Williamson (in Sutarno and Kuncoro, 2003) which has conducted studies on the development disparity between regions in the developed and developing countries. Results of his study showed that the level of development disparities between regions in developed countries is lower than in developing countries are relatively lagging economy. The existence of this study, has led even some other economists to conduct a study on the development disparities between regions in Indonesia, such as Takahiro Akito (1988) and Sjafrizal (1997). Results of their research concluded that the development disparity between regions in Indonesia were higher compared to developed countries. Even among developing countries, development disparities between regions in Indonesia, including a higher level, so in line with neo-classical hypothesis has been tested previously by Williamson. This suggest that higher levels of developments disparity between regions in

developing countries are still relatively lower level of economic development compared with developed countries, so that it can be seen there is a correlation between the rate of economic growth to the level of developments disparity among regions.

According Sjafrizal (2008) that there is some form of effort that can be implemented to overcome the development disparity between regions, among others, through the implementation of regional autonomy. This is because through the implementation of the decentralization policy, each regency/city, including those in South Sulawesi Province, will have the right and authority to manage their own local development activities are creative, innovative and independent with optimally utilize all the productive resources owned.

As a result, every regency/city in South Sulawesi Province will be more motivated to increase the volume of the region's economic development activities, so it can be expected for an increase in their economic performance is characterized by an increase in growth rate and per capita income of the people that go hand in hand with improvements in the distribution of development in their respective regions. It is relevant to the research results Shenggen Fan, et al (2011) who concluded that there are 3 (three) elements of a strategy to harmonize economic growth with equitable development between regions, namely: (a) infrastructure, (b) social investment and protection; and (c) the reform of government. Where the reform of governments have implemented in Indonesia in the form of implementation of regional autonomy.

Based on the above, it is urgent to examine whether the twin goals of development, namely the increase in the rate of economic growth and equitable development, can be realized simultaneously in each regency/city in South Sulawesi Province in line with the implementation of regional autonomy. The results of this research is expected to be utilized in the de-

velopment of regional economics as well as the input for the local government, especially government of regencies/cities in the South Sulawesi Province took measures to realize the performance of high economic growth regions coupled with improved distribution of development between regions in their respective regions in future.

METHODS

Data Collection

Data needed in this research is secondary data collected in the BPS Office of South Sulawesi Province.

Data Analysis

To measure and analyze the performance of their economic growth districts. Town in South Sulawesi Province, the use of analysis tools Typology Klassen with the provisions as that appear in the matrix Typology Klassen (Sjafrizal, 1997) as follows:

Per Capita Income (y)		y1 > y	y1 < y
		Economic Growth(r)	
r1 > r	Fast forward and growing regions	Rapidly growing regions	
r1 < r	Advanced but depressed regions	Relatively remote regions	

Where:

- r1 is Economic growth of regencies/cities in South Sulawesi Province
- r is Economic growth of South Sulawesi Province
- y1 is Per Capita Income of regencies/cities in South Sulawesi Province
- y is Per Capita Income of South Sulawesi Province

The criteria are follows: 1) Category of “fast forward and growing regions”, are regencies/cities which have higher economic growth rates and income per capita than the South Sulawesi Province. 2) Category of “advanced but depressed regions”, are

regencies/cities that have a higher income per capita, but lower economic growth rates than the South Sulawesi Province. 3) Category of “rapidly growing regions”, are regencies/cities which have higher economic growth rate but lower income per capita than in South Sulawesi Province. 4) Category of “relatively remote regions”, namely regencies/cities with economic growth rates and per capita income lower than the South Sulawesi Province.

Then to measure and analyze the distribution of development between areas in their respective regencies/cities in this region, then use the Regional Inequality Index was first introduced and used by Jeffrey G. Williamson, so it is better known as the Williamson index. The formulations used in the Williamson index can be viewed (in Sjafrizal, 2008) as follows:

$$V_w = \frac{\sqrt{\sum_{i=1}^n (y_i - y)^2 (f_i / n)}}{y} \tag{1}$$

Where:

$$0 < V_w < 1$$

- y_i is Per capita income of regencies/cities of South Sulawesi Province in the year study,
- y is Per capita income of South Sulawesi Province in the year study,
- f_i is The population of regencies/cities of South Sulawesi Province in the year study,
- n is The population of South Sulawesi Province in the year study.

The criteria used in the use of the above formulation is as follows. First, if the Williamson index coefficient close to 0 (zero), then inequality (disparity) regional development in the study area leads to the equality (getting closer to uniform). Second, conversely, if the coefficient of Williamson index near 1 (one), then inequality (disparity) regional development in the study area leads to the inequality.

RESULTS

To perform the analysis, we use several variables as indicators, namely economic growth, per capita income and population of each regencies/cities in South Sulawesi Province during the period 2005-2010 as a period of observation. The data rate of economic growth and per capita income communities in each regencies/cities in this region can be seen in table 1 and table 2.

Based on data from tables 1 and 2, then the analysis can be carried out by using analysis tools Typology Klassen to see the economic position of each regencies/cities in South Sulawesi Province in the period 2005-2010, which shows the performance of economic growth and per capita incomes can be achieved during the period observations, as is apparent in Figure 1.

In figure 1 can be seen the position of the category of economic growth performance of each regencies/cities in South Sulawesi Province of the economy at the period 2005 - 2010 based on the results of analysis Typology Klassen. The description of the position of the category of economic growth performance of each regencies/cities in this region at the period 2005 - 2010, can be seen summarized in Table 3.

Then to conduct an analysis of the distribution of development between areas in each regencies/cities in South Sulawesi Province during the observation period by using the Williamson Index of analysis tools, it is necessary to per capita income data, as shown in table 2 above, and the population of each regencies/cities in this region can be seen in table 4.

Table 1: Economic Growth Rate of Regencies/Cities in South Sulawesi Province, 2005-2010 Period

No	Regency/City	Economic Growth Rate (%)						Average
		2005	2006	2007	2008	2009	2010	
1	Selayar	2,90	5,57	6,45	7,27	7,89	8,01	6,35
2	Bulukumba	4,48	6,38	5,36	8,06	6,47	6,27	6,17
3	Bantaeng	4,35	5,10	5,37	6,73	7,32	7,90	6,13
4	Jeneponto	1,21	3,97	4,06	5,78	5,38	7,25	4,61
5	Takalar	5,58	5,91	6,04	6,19	6,58	6,85	6,19
6	Gowa	5,74	6,17	6,19	6,92	7,99	6,05	6,51
7	Sinjai	5,23	6,11	5,43	7,45	7,02	6,03	6,21
8	Maros	3,12	4,33	4,58	5,61	6,27	7,03	5,16
9	Pangkep	5,61	5,92	6,12	7,16	5,91	6,34	6,18
10	Barru	4,94	4,90	4,94	6,98	5,72	6,01	5,58
11	Bone	4,31	5,95	6,01	7,24	7,54	7,63	6,45
12	Soppeng	2,85	6,63	5,37	7,76	6,87	4,45	5,65
13	Wajo	5,97	5,66	5,87	7,40	5,10	5,71	5,95
14	Sidrap	8,25	6,96	5,46	8,23	6,66	4,45	6,67
15	Pinrang	6,04	4,12	5,14	6,73	7,65	6,23	5,99
16	Enrekang	5,91	3,77	5,11	6,49	6,62	5,00	5,48
17	Luwu	7,16	5,51	5,53	5,73	6,82	6,95	6,28
18	Luwu Utara	8,69	7,61	6,83	9,65	6,90	5,93	7,60
19	Luwu Timur	5,57	6,86	5,75	-2,44	-4,04	16,15	4,64
20	Tator	3,67	5,22	5,35	7,18	6,10	6,27	5,63
21	Palopo	7,72	6,32	6,53	7,44	7,86	7,29	7,19
22	Parepare	5,98	6,96	6,98	7,56	7,93	8,47	7,31
23	Makassar	7,16	8,09	8,11	10,52	9,20	9,83	8,82
24	Sul-Sel	6,05	6,72	6,34	7,78	6,20	8,18	6,88

Sources: Statistic Office of South Sulawesi Province, 2012

Table 2: Per Capita Income of Regencies/Cities in South Sulawesi Province, 2005-2010 Period

No	Regency/ City	Per Capita Income (Rp)					Average	
		2005	2006	2007	2008	2009		2010
1	Selayar	4.365.072	4.829.808	5.429.604	6.437.681	7.534.190	9.271.704	6.311.343
2	Bulukumba	4.597.427	5.148.225	5.699.441	6.941.865	8.246.341	9.537.341	6.695.107
3	Bantaeng	4.637.377	5.267.781	6.007.558	7.205.599	8.800.929	10.366.630	7.047.646
4	Jeneponto	3.124.342	3.478.233	3.908.755	4.693.927	5.604.180	6.634.117	4.573.926
5	Takalar	3.912.675	4.434.165	5.070.562	6.077.413	7.123.207	7.622.678	5.706.783
6	Gowa	3.704.044	4.193.457	4.802.864	5.732.787	6.981.294	7.783.598	5.533.007
7	Sinjai	5.495.184	6.270.385	7.141.520	8.754.447	10.690.012	12.293.656	8.440.867
8	Maros	4.054.767	4.537.920	5.033.997	5.892.627	7.020.209	8.144.361	5.780.647
9	Pangkep	8.357.123	9.455.459	10.817.285	12.964.162	15.893.106	17.594.543	12.430.280
10	Barru	5.039.515	5.608.038	6.298.624	7.578.582	8.840.838	10.036.580	7.233.696
11	Bone	4.833.726	5.541.502	6.310.935	7.579.164	9.009.719	10.492.627	7.294.612
12	Soppeng	5.456.583	6.131.382	6.972.591	8.487.215	10.041.073	12.189.646	8.213.082
13	Wajo	6.733.551	7.732.588	8.690.771	10.371.241	12.241.170	14.046.563	9.969.314
14	Sidrap	6.132.870	7.006.366	7.869.481	9.596.593	11.660.748	12.381.995	9.108.009
15	Pinrang	7.323.997	7.887.199	8.886.852	10.769.886	12.798.916	15.068.399	10.455.875
16	Enrekang	4.663.461	5.228.125	6.103.457	7.163.352	8.470.191	10.099.496	6.954.680
17	Luwu	5.598.536	6.104.260	7.039.735	8.316.218	9.737.481	11.181.456	7.996.281
18	Luwu Utara	4.808.867	5.355.700	6.103.675	7.423.320	8.357.292	10.673.524	7.120.530
19	Luwu Timur	24.274.301	26.358.147	29.004.788	30.152.341	27.031.499	34.288.866	28.518.324
20	Tator	3.205.669	3.511.633	3.939.262	4.848.310	5.241.295	6.658.056	4.567.538
21	Palopo	6.911.808	7.627.809	8.411.540	9.823.730	11.143.616	13.160.423	9.513.154
22	Parepare	6.895.533	7.740.704	9.143.191	11.044.881	12.174.575	13.899.449	10.149.722
23	Makassar	13.096.577	14.846.982	16.874.656	20.793.760	24.180.855	27.645.085	19.572.986
24	Sul-Sel	6.895.138	7.982.347	8.996.056	10.908.767	12.632.537	14.665.035	10.343.313

Sources: Statistic Office of South Sulawesi Province, 2012

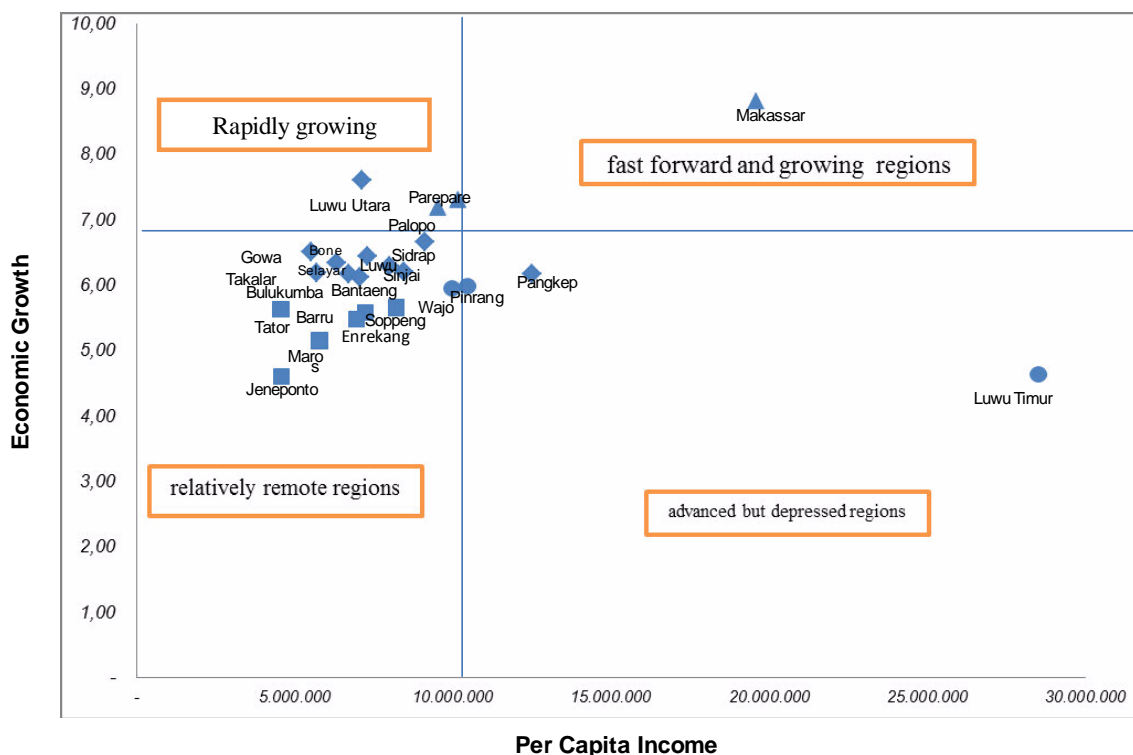


Figure 1: Economic Position of each Regencies/Cities in South Sulawesi Province Based Indicators of Economic Growth and Income per Capita, 2005-2010 Period

Table 3: Position Category of Economic Performance of Regencies/Cities in South Sulawesi province, in the Context of the Economy of South Sulawesi Province Based on Indicators of Economic Growth and Per Capita Income, 2005 – 2010 Period

No	Regency/City	Position Category by Klassen Typologi Analysis, 2005 -2010 Period
1	Makassar	Fast forward and growing regions
	a. Parepare	
2	b. Palopo	Rapidly growing regions
	c. Luwu Utara	
	a. Pangkep	
3	b. Pinrang	Advanced but depressed regions
	c. Luwu Timur	
	a. Selayar	
	b. Bulukumba	
	c. Bantaeng	
	d. Jeneponto	
	e. Takalar	
	f. Gowa	
	g. Sinjai	
4	h. Maros	Relatively remote regions
	i. Barru	
	j. Bone	
	k. Soppeng	
	l. Wajo	
	m. Sidrap	
	n. Enrekang	
	o. Luwu	
	p. Tana Toraja (Tator)	

Source: Figure 1

Table 4: Population of Regencies/Cities in South Sulawesi Province, 2005-2010 Period

No	Regency/ City	Population of Regencies/Cities (person)						Average
		2005	2006	2007	2008	2009	2010	
1	Selayar	111.961	115.908	117.860	119.811	121.749	122.055	118.224
2	Bulukumba	377.471	381.874	386.239	390.543	394.746	394.560	387.572
3	Bantaeng	168.603	170.049	171.468	172.849	174.176	176.699	172.307
4	Jeneponto	326.243	328.343	330.379	332.334	334.175	342.700	332.362
5	Takalar	246.402	249.348	252.270	255.154	257.974	269.603	255.125
6	Gowa	571.705	583.021	594.423	605.876	617.317	652.941	604.214
7	Sinjai	218.583	221.064	223.522	225.943	228.304	228.879	224.383
8	Maros	292.454	296.071	299.662	303.211	306.687	319.002	302.848
9	Pangkep	284.149	287.838	291.506	295.137	298.701	305.737	293.845
10	Barru	157.726	159.090	160.428	161.732	162.985	165.983	161.324
11	Bone	686.603	693.089	699.474	705.717	711.748	717.682	702.386
12	Soppeng	225.382	226.804	228.181	229.502	230.744	223.826	227.407
13	Wajo	370.236	373.067	375.833	378.512	381.066	385.109	377.304
14	Sidrap	244.821	246.816	248.769	250.666	252.483	271.911	252.578
15	Pinrang	334.459	338.669	342.852	246.988	351.042	351.118	327.521
16	Enrekang	180.400	182.967	185.527	188.070	190.576	190.248	186.298
17	Luwu	312.056	316.141	320.205	324.229	328.180	332.482	322.216
18	Luwu Utara	289.463	297.392	305.468	313.674	321.979	287.472	302.575
19	Luwu Timur	211.871	218.063	224.383	230.821	237.354	243.068	227.593
20	Tator	436.066	444.339	452.663	461.012	240.249	221.081	375.902
21	Palopo	129.095	133.293	137.595	141.996	146.482	147.932	139.399
22	Parepare	113.696	115.008	116.309	117.591	118.842	129.262	118.285
23	Makassar	1.198.251	1.216.746	1.235.239	1.253.656	1.271.870	1.338.663	1.252.404
24	Sul-Sel	7.489.696	7.595.000	7.700.255	7.805.024	7.908.519	8.034.776	7.755.545

Sources: Statistic Office of South Sulawesi Province, 2012

Table 5: Development of the Index Williamson Value of Regencies/Cities in South Sulawesi Province, 2005 – 2010 Period.

No	Regency/ City	Index Williamson Value of Regencies/Cities						Average
		2005	2006	2007	2008	2009	2010	
1	Parepare	0,0001	0,0012	0,0006	0,0005	0,0005	0,0021	0,0008
2	Pinrang	0,0042	0,0025	0,0008	0,0009	0,0009	0,0018	0,0019
3	Wajo	0,0017	0,0022	0,0024	0,0034	0,0022	0,0029	0,0025
4	Palopo	0,0003	0,0059	0,0028	0,0042	0,0051	0,0044	0,0038
5	Sidrap	0,0063	0,0070	0,0071	0,0068	0,0044	0,0091	0,0068
6	Sinjai	0,0110	0,0116	0,0111	0,0106	0,0183	0,0186	0,0102
7	Soppeng	0,0114	0,0127	0,0122	0,0120	0,0111	0,0089	0,0114
8	Pangkep	0,0131	0,0114	0,0125	0,0116	0,0134	0,0123	0,0124
9	Barru	0,0124	0,0136	0,0137	0,0139	0,0136	0,0143	0,0136
10	Luwu	0,0121	0,0145	0,0140	0,0153	0,0148	0,0153	0,0143
11	Selayar	0,0142	0,0155	0,0155	0,0161	0,0140	0,0143	0,0149
12	Bantaeng	0,0155	0,0161	0,0157	0,0160	0,0142	0,0138	0,0152
13	Enrekang	0,0159	0,0169	0,0188	0,0169	0,0162	0,0152	0,0167
14	Luwu Utara	0,0188	0,0206	0,0203	0,0203	0,0216	0,0170	0,0198
15	Bulukumba	0,0237	0,0252	0,0260	0,0257	0,0245	0,0246	0,0250
16	Takalar	0,0248	0,0255	0,0250	0,0253	0,0249	0,0278	0,0256
17	Maros	0,0258	0,0270	0,0275	0,0286	0,0277	0,0280	0,0274
18	Bone	0,0289	0,0292	0,0285	0,0290	0,0272	0,0269	0,0283
19	Jeneponto	0,0361	0,0371	0,0370	0,0372	0,0362	0,0358	0,0366
20	Tator	0,0408	0,0428	0,0431	0,0427	0,0323	0,0286	0,0384
21	Gowa	0,0404	0,0416	0,0410	0,0418	0,0395	0,0423	0,0411
22	Luwu Timur	0,01341	0,1234	0,1201	0,0959	0,0624	0,0736	0,1016
23	Makassar	0,1138	0,1089	0,1109	0,1148	0,1159	0,1143	0,1131
24	SulSel	0,0267	0,0274	0,0284	0,0291	0,0276	0,0270	0,0277

Sources: Calculated (2012).

Based on the data in Tables 2 and 4, then it can be carried out analysis the distribution of development between areas in every regencies/cities in South Sulawesi Province by using the formula Index Williamson. The results are shown in Table 5 above.

Based on the above calculation, it is known that only the city of Makassar that has the performance of economic growth and per capita income greater than the South Sulawesi Province as a reference area, so it is in the position of the category as “*fast forward and growing region*”, as visible in Figure 1 and Table 3. However, the data in Table 5 shows that in fact the city Makassar is the highest value of its Index which shows that this city is the most unequal economic development between the districts/cities in South Sulawesi Province during the period 2005-2010. This suggest that although the City of Makassar have economic growth performance and

high per capita incomes, thus comes into the category as “*fast forward and growing region*”, but not able to be accompanied by the performance of its distribution of development is also high during the observation period. This suggest that the economy has been able to Makassar City grew quickly and created a high per capita income for the people in the observation period, but the distribution of development between its areas is still relatively low. Means the results of this study show that the contradictory conditions with results of previous studies conducted by some experts, such as Williamson (in Sutarno and Kuncoro, 2003) which has been found that during the early stages of development, regional disparities become larger and more concentrated development in certain areas. At a more mature stage, it appears the balance between regions and the disparities are significantly reduced. Similarly, the results of studies of several experts in Indonesia, such

as Akito (1988) and Sjafrizal (1997) who concluded that the disparity of development between regions in developing countries, like Indonesia, was higher than in developed countries that have economic more advanced. Their results showed that the level of development disparity between regions in developing countries are still relatively lower level of its economic development is higher than in developed countries, where it showed a correlation between the rate of economic growth with equity development level of between regions or between areas. If associated with the results of their research, then it should be level of the development disparity of between areas in the city of Makassar is lower than the regencies/cities in South Sulawesi Province because of the level of economic development and performance of this city's economy is more advanced than the regencies/cities in this region during the period observations.

Based on this study, it can be identified several factors that cause this condition in the form of Makassar during the observation period, namely: (a) the approach adopted by the Government of Makassar in the implementation of economic development in this city still inclined to the sectoral approach, rather than through a regional approach (territorial). As a result, the practice is always a form of ego-sectoral development plans and implementation in each agency of government of Makassar City (SKPD) which in turn encourages disparity of development activities between areas in the city of Makassar; (b) as a metropolitan city, then the city of Makassar, always enter the labor force from the regencies/cities in this region and other regions in Indonesia with education and skill levels very widely, including those who have the education and skill levels are low, so low competitiveness also to obtain an adequate job and can provide a high level of income to finance their needs. As a result, will increase the number of poor and unemployed

in this city who will embody unequal distribution of development among areas and among social groups, particularly between rich societies the poor are generally only work s laborers, employees with low salaries, cleaning service, and many of them are unemployed and do not earn income. It is relevant to the research Lu (2002) who showed that the mobility of labor and allocation efficiency significantly influence the economic gap between regions has been in China; (c) the differences productivity levels between areas in the city of Makassar is mostly caused by differences in the level of education and labor skills possessed in their respective areas of the city has led to an economic growth rate disparities between areas are widening. It is relevant to the research result Shindo (2010) in China which showed that the differences productivity levels between regions large enough degree will widen the gap between the region's economic growth; (d) the emergence of convergence of economic activities in several new growth areas in the city of Makassar, such as the Tanjung Bunga and Panakkukang Mas the relatively highly developed and dominated by a power-educated workforce and has a skill. As a result, there is distortion in the labor market in this city which will eventually lead to the development gap between areas in this city. It is relevant to the research results Cai, et al (2002) who found that the convergence of GDP per capita in China has led to distortions in the labor market and negative effect on the economic growth rates, which lead to differences in rates of economic growth can be achieved by each areas, giving rise to the gap between the region; (e) the economic growth of Makassar city driven more trough investment in infrastructure development as compared to investment in human capital, so the quality of economic growth achieved relatively low. It is relevant to the research results Belton Fleisher, et al (2010) which showed that investment in infrastructure development

has encouraged the widening gap between regions in China. In contrast, investment in human capital can reduce the gap between the region.

Therefore, the government of Makassar City should change the pattern of development investment made in the future, which is investing more in human capital on the relative areas left in this city. Where the investment is realized in the education sector aimed at efforts to improve the knowledge and skill as well as the level of labor productivity in lagging areas, so that will be able to contribute a great deal in the area the economic growth and can eventually overcome the problem of between areas disparities in this city. In addition, the government should also take advantage of Makassar city's economic growth performance is relatively high effectively to improve people's living standards, particularly in areas that are still relatively low, through the implementation of appropriate policies, such as encouraging banking institutions to channel microcredit and easily accessible to existing communities in the underdeveloped areas, so it can be expected to manage their business activities can be developed that will ultimately reduce the development gap between areas in this city in the future. This effort is referred to the research result Onder & Ozyildirin (2010) who found that the state banks have an implicit role in reducing the development gap between regions in Turkey through the allocation of microcredit in underdeveloped areas.

Through the efforts of the above, it can be expected that the gap between areas and between communities in this city can be minimized in order to overcome the problem of social unrest fueled by the emergence of jealousy in the community as a result of economic development and income disparities as well as the ability to access the result-development outcomes that always threaten the economic stability and security in metropolitan cities during

this time. Moreover in the current era of regional autonomy, the government of Makassar City has gained greater authority to optimize the performance of this city's economic development as well as the distribution of development to the whole society, as pointed Sjafrizal (2008) that one form of the response to the economic development disparities between regions in Indonesia today is the implementation of regional autonomy. This is because through the implementation of regional autonomy and decentralization of development, the regional development activities, including the underdeveloped region in a regency/city will be more driven because of the greater authority to local governments and local communities to implement, so it will stimulate the emergence of various initiatives and aspirations of the community to explore the potential of the region will be more driven.

Then the opposite can be seen in the economic performance of 3 (three) regencies/cities in South Sulawesi Province, namely the City of Parepare and Palopo as well as Regency of North Luwu. The result of Klassen Typologi analysis, as seen in Table 3, indicate that this regencies/cities third in the category as "fast forward and growing regions", which indicates that the rate of the economic growth in these three regencies/cities is higher than the economic growth of South Sulawesi Province as a reference region during the observation period.

Furthermore, the analysis of Williamsons's index, as seen in the Table 5, shows that the City of Parepare is the lowest index value was among the regencies/cities in South Sulawesi Province, which only amounted to 0.0008 during the observation period. Similarly Palopo City with index values of 0.0038 and Regency of North Luwu with index value of 0.0198. Where the second index is still lower than the index value of the South Sulawesi Province during the period of 2005-2010. This

suggests that the high rate the economic growth in the three regencies/cities have been followed by an increase in equity level of development improvements, so it has been in line with the result of research conducted by Williamson (1966), Takahiro Akito (1988), and Sjafrizal (1997) who concluded that the level of development disparities between regions in countries with more advanced economies is lower than countries with lower economy. Means that their conclusions may also be evident at the regional level for the case, as shown in the three regencies/cities in South Sulawesi Province during the period of observation.

Based on these results, it is known that the ability of the three regencies/cities in harmonize the economic growth performance is relatively higher than the growth performance of South Sulawesi Province as a reference region with the performance of inter-area distribution of development in the three regencies/cities simultaneously. Consequently, the level of development disparities between areas in the three regencies/cities is relatively low, even the Parepare City is the most low level of development disparities among regencies/cities in South Sulawesi Province during the period of observation. It is certainly not out of shape government policy in the three regencies/cities to encourage community participation in the implementation of development, in their capacity as object and subject of development. In addition, it is also an indication of the success of government in the three regencies/cities in performance improvement harmonize its economy's growth and its distribution of development to all areas and communities to take advantage of greater authority than the central government in this area of regional autonomy to optimally manage all resources held for use in the implementation of its regional development activities during the period of observation.

Based on data in Table 3 and figure 1, it can also be seen that there are some regencies in South Sulawesi Province that has economic growth rate lower than the rate of economic growth in South Sulawesi Province in 2005 – 2010 period, so it is categorized as “advanced but depressed regions” and as “relatively remote regions” based on the results of the analysis Typology Klassen. Regencies are Regency of Selayar, Bulukumba, Bantaeng, Takalar, Sinjai, Maros, Pangkep, Barru, Soppeng, Wajo, Sidrap, Pinrang, Enrekang and Luwu. But the fourteenth regencies has a rate of development disparity between areas is lower than the City of Makassar and South Sulawesi Province as the reference region based on the analysis of Williamson Index, as shown in the table 5. This indicates that the regencies/cities at a relatively low level of economic development it can also results from the distribution of development between areas was relatively better than the regencies/cities that have been able to achieve the level of economic development is higher, as the City Of Makassar. This is one indicator of the success of local government in each regencies/cities in this region to distribute the results of the implemented economic development throughout the his area by involving the active participation of communities and employers as a pillar of development by taking advantage of opportunities the implementation of regional autonomy as a form of governance reforms in Indonesia to day.

In addition, in Table 3 and table 5 also seen that there are some regencies in South Sulawesi Province that has the performance level of economic growth and distribution of development between areas was lower than the South Sulawesi Province as a reference region, so it is categorized as a “advance but depressed regions” and relatively remote regions” based on the result of the analysis Typology Klassen. Regencies are Regency of Jeneponto, Gowa, Bone, Tana Toraja and East Luwu.

This shows also that the regencies/cities at a relatively low level of economic development it will experience a level of development disparity is relatively high, so that research results are relevant to Williamson (1966), Akito (1988), and Sjafrizal (1997). This means these five regencies have not been able to take advantage of greater authority in managing resources optimally held to encourage improvement in the economic performance of regional autonomy. Yet according to Sjafrizal (2008) that the implementation of regional autonomy policy is one tool that can be used by local governments in Indonesia to optimize the performance of its economy and the distribution of development to overcome problems of poverty, unemployment, inequality of development between areas, and so forth.

CONCLUSION

Based on these results, it is known that there were four conditions that were shown by the relationship between economic growth rates achieved with the distribution of development between areas in each regencies/cities in South Sulawesi Province during the period of 2005-2010 as the period of observation. These four conditions exist that were relevant and some are opposed to the results of research conducted by some regional economists, such as Williamson (1966), Akito (1988), and Sjafrizal (1997). These four conditions were: (1) Conditions where the regencies/cities had a rate of economic growth and per capita incomes higher than that achieved by the South Sulawesi Province as a reference region, so it was categorized as a “fast forward and growing regions”, but had a level of distribution of development between the area of lower compared to other regions/cities in South Sulawesi Province. This condition was shown by the City of Makassar; (2) Conditions where the regencies/cities had a economic growth rate higher than the South Sulawesi Province as

a reference region but had a low per capita incomes, so it was categorized as “Rapidly growing regions”. Then this regencies/cities had the Williamson index value was lower than the other regencies/cities in South Sulawesi Province, so that the distribution of development between the its area were relatively higher. Regencies/cities that have this category was City of Parepare and Palopo, and Regency of North Luwu; (3) Condition where the regencies/cities in this region had a lower Williamson index value than the South Sulawesi Province as a reference region that showed that regencies/cities level distribution of development had a relatively high even though the economic growth rate lower than that of South Sulawesi Province . This condition was shown by the Regency of Selayar, Bulukumba, Bantaeng, Takalar, Sinjai, Maros, Pangkep, Barru, Soppeng, Wajo, Sidrap, Pinrang, Enrekang, and Luwu; and (4) Condition where the regencies/cities had a rate of economic growth and Williamson index value lower than the South Sulawesi Province as a reference region. This condition indicated that the rate of economic growth in this regencies/cities was low distribution of development followed by a low level also, so the performance of the development regencies/cities that had this condition during the observation period was relatively low. Regencies who had this condition is Regency of Jeneponto, Gowa, Bone, Tana Toraja, and East Luwu.

The difference of the condition from the relationship between the rate of economic growth with equitable distribution of development levels between areas in each regencies/cities in the South Sulawesi Province during the observation period showed that there was the ability of each regencies/cities in this region within harmonize the economic growth performance achieved with the its equitable distribution of development. This was an indication that there have been differences in the ability of regency/city governments in the region in

effecting the performance of economic growth achieved its regency/city to drive increased the living standards of their communities through the implementation of the policies adopted in the area of regional autonomy as a form of governance reform in Indonesia during this. This was because local governments in several regencies/cities in South Sulawesi Province still faced a number of constraints that had not been able to overcome all this, such as : (1) limited ability to provide the investment funds needed to manage and develop the potential economic and leading sectors in their the regions; (2) limitations of the available infrastructure, especially electricity and transport; (3) the absence of legal certainty, and still many obstacles and bureaucratic extortion; and (4) the lack of cooperation between regencies, so it had not been able to realize efficiency and effectiveness of public services, synergy and cooperation among regencies mutually beneficial, as outlined in the Law. 32, 2004, Article 195.

Based on the above, it can be presented suggestions to the government of regencies/cities in this region can carry out

some program activities that can streamline the implementation of regional autonomy that has given greater authority and independence in driving economic performance improvement regencies/cities in this region in future, particularly in efforts to achieve economic growth rates and per capita income and the equitable distribution development is higher than the South Sulawesi Province as a reference region. It is relevant to the statement Sjafrizal (2008) that the policy of regional autonomy can be used as a tool to promote economic growth rates and per capita income of each regencies/cities in Indonesia which also can be used to improve the equitable distribution of development to the whole society, so the problem of poverty, unemployment, and disparity of the development between areas and among social groups in each regencies/cities can be solved in the future. This is very related to the efforts of local governments in each of the regencies/cities in this region to encourage increased levels of active community participation in development processes in their capacity as object and subject of development.

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