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50 Years of Income Distribution Inequality in Bali Province (1971-2020)

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Abstract:- Inequality of income distribution is still a problem throughout the world, both developed and developing countries. This problem is also faced by Bali Province. Bali Province consists of eight regencies and one municipality and has different regional potentials in each region. Differences in characteristics such as geographical location and different resource potentials in each region have a strong effect on the creation of economic development patterns in Bali Province, so that the development patterns are not the same and cause different growth capabilities. This leads to inequality of per capita income, and inequality of development. This study aims to analyze investment tradeoffs, the proportion of the service sector, the number of employed people and the proportion of agricultural land area to income distribution inequality in Bali Province during the period 1971-2020. The analysis technique used is simple linear regression, using annual data with a total of 50, namely 1971-2020. The results of this study show that investment, the proportion of the service sector, the number of working people are negatively and significantly correlated with the inequality of income distribution in Bali Province, while the proportion of agricultural land area is not correlated with the inequality of income distribution in Bali Province.

Keywords:- *Inequality of Income Distribution; Investment; Service Sector; Population; Area of Agricultural Land.*

I. INTRODUCTION

Inequality of income distribution is still a problem throughout the world, both developed and developing countries. Based on the 2018 UN report in the World Economic Situation and Prospects stated that the level of inequality globally is still high and increasing in several countries in the world in the last 20 years. This inequality can be seen from the income of the upperclass population which increases and causes the gap between rich and poor is widening. As a developing country Indonesia faces the problem of unresolved economic inequality, every period of the ruling government always tries to reduce economic inequality (Gini ratio) and poverty levels by issuing various policies, but these efforts have not yielded results (Ibrahim, 2017).

This problem is also faced by Bali Province. Bali Province consists of eight regencies and one municipality and has different regional potentials in each region. Differences in characteristics such as geographical location and different resource potentials in each region have a strong influence on the creation of economic development patterns in Bali Province, so that the development patterns are not the same and cause different growth capabilities. This causes inequality in per capita income, and inequality in development (Yuliani, 2018).

Gaps between regions always exist because of differences in the economic potential of each region. Inequality has both positive and negative impacts. The positive impact of inequality is that it can encourage less developed regions to be able to compete and increase their growth to improve their welfare (Tyas, 2017). The negative impact of income inequality is to cause conflict, this cannot be avoided because of the trickkle down effect of national output on society as a whole that does not occur perfectly.

The issue of employment is a phenomenon in Bali Province that still needs attention. It is estimated that the labor market in Bali Province in the future will be more integrated. Many residents outside the region migrate and urbanize to Bali Province because they see great job opportunities. This will affect the population structure, resulting in an increase in the working population. According to the Central Bureau of Statistics of Bali Province in 2020, the number of working people in Bali Province reached 2,423,419 people. With such a high number of working people, it should be able to help development, but if it is not properly empowered, it will only increase the burden of development.

Population growth has a positive effect on economic growth, this is closely related to the growth and development of the economic sector. The proportion of the working population is still uneven in some areas., most of the population still works in rural areas, so there is a difference in income between residents working in cities and in rural areas. People who work in cities have a greater income level compared to residents who work in rural areas.

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TABLE I. GINI RATIO INDEX 2011-2020

Tahun	Provinsi Bali	Indonesia
2011	0,407	0,388
2012	0,431	0,413
2013	0,403	0,406
2014	0,415	0,414
2015	0,376	0,402
2016	0,366	0,394
2017	0,384	0,391
2018	0,377	0,384
2019	0,366	0,380
2020	0,369	0,385

Central of Statistics Bali Province (2022)

Based on Table 1, the level of income inequality in Bali Province from year to year has increased and decreased. In 2011 it was 0.407, in 2012 it was 0.431 and in 2014 it was 0.415 where the figure was above the national inequality of 0.388 in 2011, 0.413 in 2012 and 0.414 in 2014. Then in 2015 it dropped to 0.376 until 2020 inequality in Bali Province fell into the low inequality category, with an average of 0.37.

Since 1971, Bali's economy has undergone fundamental structural changes. This change can be seen from the contribution of the economic sector to income and employment opportunities. Seen in table 1.2, in 1971 the agricultural sector contributed 59.3 percent to regional income (GDP) then decreased in 2020 to only 15.11 percent. On the other hand, the service sector, which includes tourism, contributed 31.8 percent in 1971 and 2020, increasing to 66.50 percent. On the other hand, the manufacturing sector contributed 8.9 percent and rose to 18.39 percent in the same period. This shows economic progress marked by the declining role of the agricultural sector as well as the increasing role of the service sector and the flattening role of the manufacturing sector.

From the structural changes mentioned above, when viewed from sectoral contributions and growth, the most potential sector is the service sector, especially the trade, hotel and restaurant sectors. Generally, the growing service sector in Bali Province is tourism.

Based on this description, the inequality of income distribution in Bali Province is still a problem and in 2011, 2012 and 2014 experienced an increase exceeding Indonesia's Gini ratio. So it is important to study further about the inequality of income distribution in Bali Province, to see the inequality that has occurred for 50 years and predict the inequality that will occur in the next year so that in the future it will not worsen. So the author is interested in studying the inequality of income distribution in Bali Province for 50 years, namely 1971-2020. With the Simple Linear Regression method whose data is obtained from the Central Bureau of Statistics of Bali Province and the Central Bureau of Statistics of Indonesia.

The purpose of this study is To analyze the investment tradeoff on income distribution inequality in Bali Province, To analyze the tradeoff of the proportion of the service sector to income distribution inequality in Bali Province, To analyze the tradeoff of the number of working population against income distribution inequality in Bali Province, To analyze the tradeoff of the proportion of agricultural land area to income distribution inequality in Bali Province.

II. THEORETICAL FOUNDATION

A. Regional Economic Development and Economic Growth

According to (Khotami, 2019) states that economic development is an effort in the economy to develop economic activities so that infrastructure can increase, economic growth can develop rapidly, the level of education and technology is increasingly advanced.

The purpose of economic development is basically to increase real income per capita as well as equity in income and business opportunities. Knowing the goals and objectives of development as well as the strengths and weaknesses of a region, the potential development strategy will be more focused then the strategy becomes a guideline for local governments or actors implementing business activities in the area concerned.

B. Dutch Disease

Dutch Disease is a phenomenon in the economic field that leads to problems arising from the abundance of natural resources in a country. The term Dutch Disease was originally coined in 1977, which refers to the regression in the industrial sector caused by the discovery of very abundant natural gas resources in the Netherlands. Then in 1982 the theory was developed by Max Corden and J. Peter Neary. Dutch Disease Model is an economic concept that explains the negative impact of natural resource exploitation activities on the economy. The Dutch Disease Model assumes 3 sectors in the economy, namely the tradeable natural resources sector, the tradeable manufacturing sector, and other non-tradeable sectors (Opoku dan Ming Yan, 2019).

C. Income Distribution Inequality

According to (Sukirno, 2016) there are two concepts about measuring income distribution. The first concept of absolute inequality is the concept of measuring inequality using the parameters of an absolute value. The second concept of relative inequality is the concept of measuring income distribution inequality by comparing the amount of income of a person / group of community members with the total income obtained by society as a whole.

D. The Relationship of the Service Sector, Tourism to Income Distribution Inequality

According to Samimi & Sadeghi (2011), the tourism sector can even out development from the economic center to underdeveloped areas, so that the growth of the tourism sector tends to be used as a means to overcome the problem of income distribution inequality, as explained by Lau, et al (2017) if the tourism service sector is an important sector that affects income inequality. Several countries in the world make the tourism service sector as the main source of economic development and are interrelated with economic growth so that any changes in it can reduce the inequality of income distribution in the country Raza and Shah (2017). Increasing business opportunities will increase opportunities

and employment and increase community income, so as to reduce income inequality (Andras and Goncalves, 2015).

III. RESEARCH METHODS

This study was conducted to see the tradeoff between investment, the proportion of the service sector, the number of employed people and the proportion of agricultural land area to income distribution inequality during the period 1971-2020 in Bali Province.

This research was conducted in Bali Province using secondary data taken and processed from official data from the Central Bureau of Statistics (BPS) of Bali Province and the Indonesian Central Bureau of Statistics as well as several journals that have been officially published. With a range of years, the data studied is 1971-2020

A. Object of study

The object of this study focuses on 5 variables, namely, Inequality of Income Distribution, Investment, Proportion of Service Sector, Number of Working Population and Proportion of Agricultural Land Area in the Province. The variables identified by this study are as follows

- In this study, the dependent variable is Income Distribution Inequality (Y)
- In this study, the independent variables are Investment (X1), Proportion of Service Sector (X2), Number of Working Population (X3), Proportion of Agricultural Land Area (X4).

B. Variable Operational Definition

Inequality of income distribution is measured through the gini index or gini coefficient and GDP per capita of the population, In this study used data on the gini coefficient of all districts in Bali Province in 1997-2020 and GDP per capita based on current prices in 1971-2020. The Gini coefficient unit is measured by a free index between 0-1 and a unit of per capita income, which is million rupiah.

Investment is the formation of gross fixed capital from the private sector used for the procurement, manufacture, and purchase of new capital goods originating from within the country (domestic) as well as new or used capital goods from abroad. The investment data used in the study is the overall domestic investment (PMDN) and foreign investment (PMA) in 1971-2020 which is stated in billions of rupiah.

The proportion of the service sector is the amount of added value generated from the economic activities of the service sector in Bali Province. The indicator used to see the proportion of the service sector is GDP on the basis of prevailing prices according to the business field of the service sector divided by the total total amount of GDP of all sectors. Data on districts/cities in Bali Province are obtained in the annual form of the period 1971-2020 in units of percent.

The number of working population is residents aged 15 years and over who work based on the results of the census conducted by the Central Bureau of Statistics of Bali Province in 1971-2020 measured by units of people / people.

The proportion of agricultural land area is the area of rice fields, the entire area where rice is planted or worked on the rice planting process and the total area of Bali Provision. The proportion of agricultural land area is calculated from the total area of agricultural land divided by the total area of Bali Province, with the unit used is percent

C. Data Analysis Techniques

The analysis technique used is Simple Linear Regression. This analysis is used to look at the tradeoff between investment, the proportion of the service sector, the number of people employed, the proportion of agricultural land area and the inequality of income distribution. The data analysis techniques used in this study consist of:

- Descriptive statistics are statistics used to analyze data by describing or describing data that has been collected without making generally accepted conclusions or generalization (Sugiyono, 2018).
- The classical assumption test aims to find out whether the variables in the study deviate or not from classical assumptions. The classical assumption tests used in this study are: normality test, multicollinearity test, autocorrelation test and heteroscedasticity test.
- Simple linear regression analysis is a linear relationship between one independent variable (X) and the dependent variable (Y). This analysis is used to predict the value of the dependent variable (Y) if the value of the independent variable (X) increases or decreases and to determine the positive or negative relationship between the independent variable and the dependent variable. The form of a simple linear regression equation is as follows:

$$Y = a + bX1 + bX2 + bX3 + bX4 + \varepsilon \quad (1)$$

Noted:
Y = Gini Ratio, GDP per capita (predicted value)
a = Constant (if value X = 0)
b = simple regression coefficient
X1 = Investment
X2 = Proportion of Service Sector
X3 = Number of Working Population
X4 = Proportion of agricultural land area
ε = standard error

IV. RESULTS OF ANALYSIS AND DISCUSSION

To analyze how the tradeoff between investment, the proportion of the service sector, the number of employed people and the proportion of agricultural land area to the inequality of income distribution in Bali Province during the period 1971-2020, secondary data were collected that support this study, obtained from the Central Bureau of Statistics of Bali Province from 1971-2020 as well as supporting journal publications.

A. Development of Income Distribution Inequality in Bali Province

In Bali Province, districts/cities with higher growth than other regions will potentially cause inequality in income distribution. Districts/cities that have high growth will open greater job opportunities than other regions. As a result of

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many people moving to the region, capital accumulation will also be centered on areas that have high growth. This condition will cause inequality in income distribution. The inequality of income distribution in this case can be measured by the Gini Ratio Index. The Gini ratio is an aggregate measure whose numbers range from zero (perfect equalization) to one (perfect inequality). The following is the Gini Ratio data for Bali Province for 1997-2020 shown in figure 2.

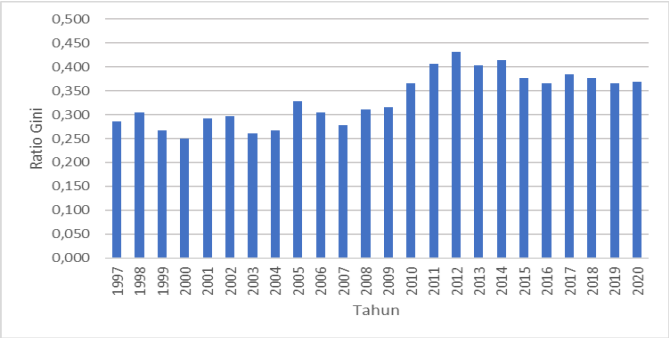

Fig. 1. Gini Ratio of Bali Province in 1997-2020

Figure 1 shows the development of the Gini Ratio in Bali Province in 1997-2020, during which period the Gini Ratio tends to fluctuate. The best distribution of income occurred in 2000 which was 0.250 points but in 2001 it increased to 0.291 then decreased in 2003-2004 and again increased in 2005 to reach 0.328, this was influenced by Bali's economic condition which worsened due to the Bali II bombing tragedy which affected people's income. The highest income inequality occurred in 2012 at 0.431 points, the figure is included in the medium category.

B. Development of GDP per capita according to the prevailing price of Bali Province

GDP per capita is one indicator of the welfare level of the population of a region. GDP is the net final value of goods and services produced by various economic activities in a region in a period (Hartini, 2017), on the other hand GDP per capita is often used as an indicator of development. The greater the GDP per capita of a region, the higher the potential source of revenue for the region because the higher the income of the people of the area (Hartini, 2017). In other words, the higher the GDP per capita, the more prosperous the population of an area. If income is high and evenly distributed between regions, income inequality is reduced. The development of GDP per capita can be seen in figure 2.

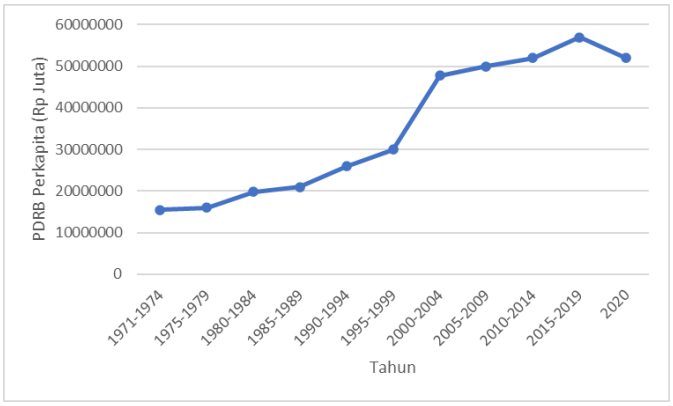

Fig. 2. GDP per capita according to Bali's current prices in 1971-2020

From figure 2, it can be seen that the GDP per capita of Bali Province in 1971-2020 tends to increase. The lowest GDP per capita is Rp.18.071. This happened in 1972. The highest GDP per capita is Rp.57.755 This means that the highest GDP per capita occurred in 2019. The GDP per capita of Bali Province decreased between 2019 and 2020, previously in 2019 it reached Rp 57.755, decreasing 10% to Rp 51.940. The decline in GDP per capita occurred due to the decline in the role of the service sector (tourism) as the leading sector of Bali province due to the Covid-19 pandemic.

C. Investment Development in Bali Province

The development of investment in Bali Province in 1971-2020 can be seen in Figure 3.

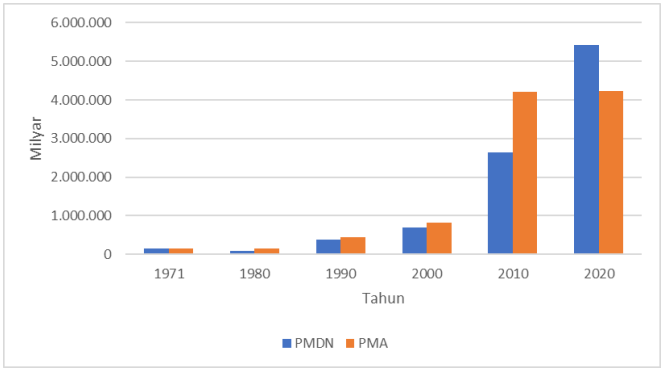

Fig 3. Development of PMDN and PMA in Bali Province (1971-2020)

Based on figure 3, investment (PMDN and PMA) in Bali Province in 1971-2020 fluctuated due to the impact of economic conditions and phenomena that occurred at that time, for example the economic crisis or the Bali bombing event so that the level of investor confidence and investment climate decreased and had an impact on economic growth in Bali Province. The highest PMDN value occurred in 2018 of Rp. 16,239.5 billion and the highest PMA in 2015 of Rp. 6,390 trillion.

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D. Development of Gross Regional Domestic Product in the Service Sector in Bali Province

Service sector GDP is the amount of added value generated by service sector economic activities in Bali Province, the indicator used is GDP on the basis of prevailing prices according to service sector business fields. The development of GDP in the service sector in Bali Province in 1971-2020 can be seen in Figure 4.

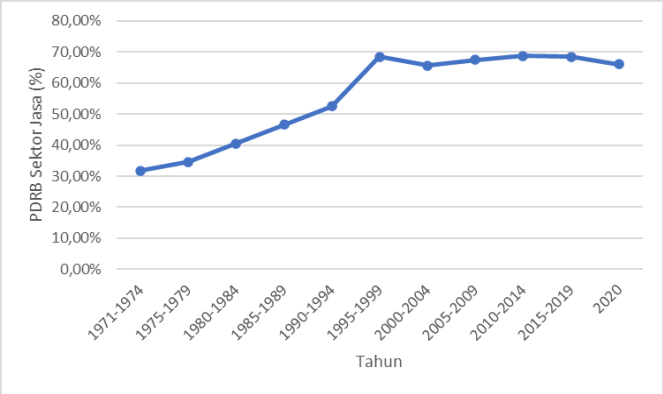

Fig 4. GRDP of Bali Province Service Sector in 1971-2020

Based on figure 4, the GDP of the service sector of Bali Province in 19712020 experienced fluctuations. The highest increase occurred from 1992 to 1993, the GDP of the service sector in 1992 was 54.97% then rose 23.5% to 67.89% this figure was stable until 1997, but in 1998 the GDP of the service sector decreased by 8.9% to 63.10%. The decline in GDP in the service sector was influenced by the economic recession that occurred in Indonesia, including Bali Province (Pradana, 2013). In 2000 the service sector of Bali Province began to increase by 2.14% from the previous year and slowly increased until 2019 but fell again by 4.6% in 2020 due to the Covid-19 pandemic (Orinaldi, 2021).

E. The Development of the Working Population in Bali Province

Population The working force is the entire population including working age (15-64 years) who have found employment. The working force is a positive factor in boosting economic growth. The development of the working population can be seen in Figure 5.

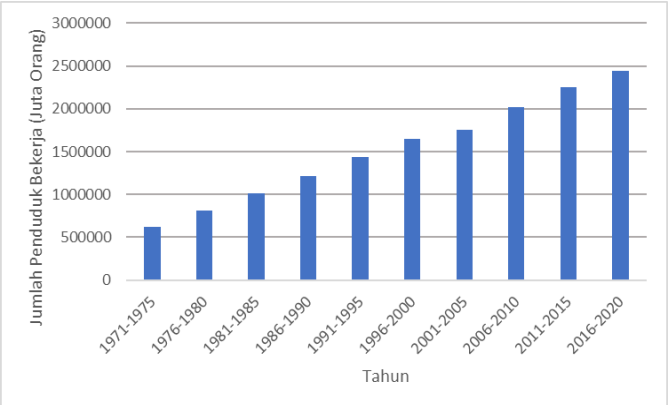

Fig 5. Number of Working Population in Bali Province in 1971-2020

Based on the data in figure 5, it is known that the number of working people in Bali Province during the period 1971-2020 with the lowest number of 541,737 (people) in 1971. While the highest population was 2,525,707 (people) in 2018. In 1998 and 2019, the number of employed people decreased from the previous year. This is due to unstable global economic conditions due to the monetary crisis and the Covid-19 pandemic Employment conditions in Bali are good when viewed from the low number of open unemployment and the high number of working population, if these conditions can run smoothly and accompanied by the availability of adequate job opportunities, it will bring progress to the economy of Bali Province in the future.

F. Development of the Proportion of Agricultural Land Area in Bali Province

Agricultural land is one of the production factors that can affect farmers' income. The greater the area of land owned, the greater the opportunity for farmers to earn high income. The development of the proportion of agricultural land area can be seen in Figure 6.

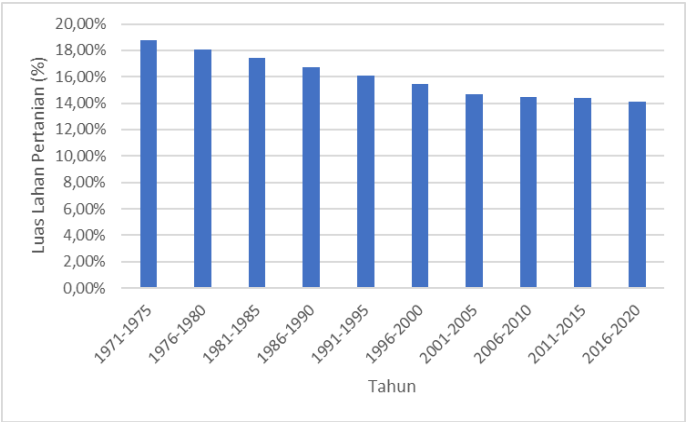

Fig 6. Proportion of Agricultural Land Area of Bali Province in 1971-2020

Based on figure 4.6, it can be seen that the proportion of agricultural land area in Bali Province has decreased every year. At the beginning of 1971 the proportion of agricultural land area reached 19.01% of the total area of the Province Bali, however, fell 26.23% in 2020 to only 14.02%. This happens because of the conversion of agricultural land into housing, hotels, restaurants and other buildings that support the tourism industry and other industries.

G. Time Series Regression Analysis

The results of the time series regression test that have been processed obtain results that can be seen in table 2.

TABLE II. RESULTS OF REGRESSION ANALYSIS OF Y1 VARIABLE (GDP PER CAPITA)

Variable	Coefficient	Std. Error	t-Statistic	Prob.
X1	0.10180	0.02349	4.333071	0.0001
X2	0.427044	0.089907	4.749824	0.0000
X3	0.128374	0.052962	2.423892	0.0194
X4	6.173086	0.491077	12.57051	0.0000
C	18.54230	2.035863	9.107834	0.0000
R-squared	0.978492	Mean dependent var		6.389268
Adjusted R-squared	0.976580	S.D. dependent var		0.907890
F-statistic	511.8038	Durbin-Watson stat		1.596195
Prob(F-statistic)	0.000000			

Data processed with eviews (2023)

Value of regression coefficient of Investment variable (X1), variable Sector Proportion Services (X2), Number of Working Population (X3), and Proportion of Agricultural Land Area (X4) have probability values of less than 0.05. This shows that the variables Investment (X1), Proportion of Service Sector (X2), Number of Working Population (X3), and Proportion of Agricultural Land Area (X4) have a significant effect on the variables of GDP per Capita.

TABLE III. RESULTS OF REGRESSION ANALYSIS OF Y2 VARIABLE (GINI ATIO)

Variable	Coefficient	Std. Error	t-Statistic	Prob.
X1	-0.010145			0.002880
X2	-0.152849	0.055028	-2.777633	0.0080
X3	-1.236209	0.045983	-26.88375	0.0000
X4	-0.070575	0.036644	-1.925943	0.0604
C	-2.628902			
R-squared	0.999991	Mean dependent var		8.831627
Adjusted R-squared	0.999991	S.D. dependent var		2.383853
F-statistic	0.007292	Durbin-Watson stat		0.002392
Prob(F-statistic)	1309352.			

Data processed with eviews (2023)

The value of the regression coefficient of the Investment variable (X1), the variable of the Proportion of Service Sector (X2), the Number of Working Population (X3) and has a probability value of less than 0.05. This shows that the Investment variable (X1), Service Sector Proportion (X2), and Working Population (X3) have a significant effect on the Gini Ratio variable, while the Proportion of Agricultural Land Area (X4) has a probability value of more than 0.05. This shows that the variable Proportion of Agricultural Land Area (X4) has no significant effect on the Gini variable.

H. Discussion

Based on the results of regression analysis in Table 2, a positive regression coefficient value was obtained in the Investment variable against GDP per Capita of 0.101800 and a calculated t value of 4.333071 with a significance value of 0.0001 which is less than 0.05, so it was concluded that the hypothesis was accepted, namely that the Investment variable had a significant positive effect on GDP Percapita. Economic theory states that investment is expenditures to purchase capital goods and production equipment to replace or increase capital goods in the economy that will be used to produce goods and services in the future. This means, investment is an activity to increase the production capacity of an economy.

Based on the results of the regression analysis in Table 3, the value of the negative regression coefficient in the Investment variable to the Gini Ratio was 0.010145 and the calculated t value was -3.522377 with a significance value of 0.0010, which is less than 0.05, so it was concluded that the hypothesis was accepted, namely that the Investment variable had a significant negative effect on Income Distribution Inequality as measured by the Gini Ratio proxy. This reflects that when investment increases only in a few sectors and .in some districts/cities, it will have an impact on increasing income inequality of the population. Investment that only exists in certain sub-sectors, causes the lagging behind of other sub-sectors due to lack of investment to develop these sub-sectors, thus bringing economic inequality to some people, especially in terms of income generated. In addition, investments that are only centered on certain areas or only in urban areas will have an impact on income inequality that will be generated by residents in urban and rural areas. Research conducted by Sanjaya and Saskara (2020) states that investment has a positive effect on income inequality, this means, if investment in the short term will be able to reduce income inequality, but due to the lack of sustainability of the displayed period of time, investment will be able to increase income distribution inequality. While research conducted by Adipuryanti and Sudibia (2015) states that investment has a positive and significant effect on the inequality of income distribution of districts / cities in Bali Province. Research by Effendy and Djohan (2021) states the same result, namely investment has a positive effect on income inequality.

Based on the results of the regression analysis in Table 2, a positive regression coefficient value was obtained on the variable The proportion of the service sector to GDP per capita was 0.427044 and the calculated t value was 4.749824 with a significance value of 0.0000, which is less than 0.05, so it was concluded that the hypothesis was accepted, namely the variable The proportion of the service sector has a significant positive effect on GDP per capita.

Based on the results of regression analysis in Table 3, a negative regression coefficient value was obtained on the variable The proportion of the service sector to the Gini Ratio was 0.152849 and the calculated t value was -2.777633 with a significance value of 0.0080, which is less than 0.05, so it was concluded that the hypothesis was accepted, namely the variable The proportion of the service sector had a significant negative effect on Income Distribution Inequality as measured by the Gini Ratio proxy. This means that the increase in the service sector every year has not been able to reduce income distribution inequality. The increase in the

service sector, especially tourism in Bali, tends to be only in South Bali. This happens because tourist needs such as accommodation, hotels and restaurants are more found in the South Bali Region, causing inequality in income distribution because only some regions enjoy the results of Bali tourism. This result is in line with research conducted by Romli, et al (2016) which states that the service sector has a positive and significant effect on income distribution inequality. Research conducted by Taufiqurrahma (2019) also obtained similar results, namely the tourism sector has a significant effect on the inequality of income distribution in Bali Province.

Based on the results of regression analysis in Table 2, a positive regression coefficient value was obtained on the variable Number of working population against GDP per capita of 0.128374 and calculated t value of 2.423892 with a significance value of 0.0194 which is less than 0.05, so it was concluded that the hypothesis was accepted, namely the variable Number of working population had a significant positive effect on GDP Percapita. This result is in accordance with Adam Smith's economic growth theory and Musfidar's (2012) research which states that there is a positive influence between population increase and economic growth where the condition and progress of the population, especially residents who work closely related to the growth and development of economic activities in an area.

Based on the results of regression analysis in Table 3, a negative regression coefficient value was obtained on the variable Number of working population against Gini Ratio of -1.236209 and t value calculated -26.88275 with a significance value of 0.0000 which is less than 0.05, so it was concluded that the hypothesis was accepted, namely the variable Number of working population has a significant negative effect on Income Distribution Inequality as measured by the Gini Ratio proxy. Research conducted by Musfidar (2012) also obtained similar results where the number of working people has a significant positive effect directly on income distribution inequality. The number of people who work, will increase the number of income distribution inequality (gini ratio) in Bali Province, this is because the proportion of the number of people working in Bali Province is still uneven in a number of regions, so there is a difference in income between residents who work in rural and urban areas. People who work in urban areas tend to have higher incomes when compared to residents who work in villages.

Based on the results of regression analysis in Table 2, a positive regression coefficient value was obtained on the variable Proportion of agricultural land area to GDP per capita of 6.173086 and a calculated t value of 12.57051 with a significance value of 0.0000, which is less than 0.05, so it was concluded that the hypothesis was accepted, namely the variable Proportion of agricultural land area had a significant positive effect on GDP per capita.

Based on the results of regression analysis in Table 4.3, a negative regression coefficient value was obtained on the variable Proportion of agricultural land area to the Gini Ratio of -0.070575 and a calculated t value of -1.925943 with a significance value of 0.0604 which is more than 0.05, so it was concluded that the hypothesis was rejected, namely the variable Proportion of agricultural land area had a negative and insignificant effect on Income Distribution Inequality as measured by the Gini Ratio proxy. This result is in accordance with the results of Schrevel's (1989) research in Suzana (2015) where the reason for the unreal influence of agricultural land area is due to the increasingly dominant role of the non-agricultural sector in contributing to income. In Bali, the leading sector is the service sector (tourism). Based on the results of the hypothesis test that has been described, a summary of the results of the hypothesis test related to the effect of Investment, Proportion of Service Sector, Number of Working Population, and Proportion of Agricultural Land Area to GDP per Capita and Gini Ratio can be seen in Table 4.

TABLE IV. SUMMARY OF HYPOTHESIS TEST RESULTS

Variabel	Ln (Pendapatan Perkapita)	Gini Ratio
Ln(Investasi)	0,101800 (0,0001) Berpengaruh Positif Signifikan	-0,010145 (0,0010) Berpengaruh Negatif Signifikan
Proporsi Sektor Jasa	1,427044 (0,000) Berpengaruh Positif Signifikan	-0,152849 (0,0080) Berpengaruh Negatif Signifikan
Ln (Jumlah Penduduk Bekerja)	0,128374 (0,0194) Berpengaruh Positif Signifikan	-1,236209 (0,0000) Berpengaruh Negatif Signifikan
Proporsi Luas Lahan Pertanian	6,173086 (0,0000) Berpengaruh Positif Signifikan	-0,070575 (0,0604) Tidak Berpengaruh Signifikan

Data processed with eviews (2023)

Based on the results of the analysis described in the previous chapter, several conclusions can be drawn to answer the formulation of the problem, which are as follows: 1) There is a negative and significant correlation between investment and inequality of income distribution in Bali Province during the period 1971-2020. 2) There is a negative and significant correlation between the proportion of the service sector and the inequality of income distribution in Bali Province during the period 1971-2020. 3) There is a negative and significant correlation between the number of working people and the inequality of income distribution in Bali Province during the period 1971-2020. 4) There is no correlation between the proportion of agricultural land area and the inequality of income distribution in Bali Province during the period 1971-2020.

Based on the results of the analysis and conclusions that have been described, several suggestions can be proposed, namely as follows: 1) Efforts need to be made to develop new tourist destinations in areas that have not been worked on properly and it is hoped that this can be one of the options for efforts to equalize tourism activities in Bali, so that income inequality can be reduced. 2) For the government, it is expected to pay more attention to the quality of labor in each district / city in Bali Province. Increasing the quality of labor

will increase income so that income distribution inequality will decrease. 3) Further research needs to be carried out, such as adding a time period for example from 1958 when the new Bali Province was inaugurated to see the effect of changes in economic structure on income inequality, in addition to modifying the research model by including variables of the proportion of the agricultural sector, proportion of the industrial sector, level of education and unemployment. The next study can also analyze more deeply about income inequality using gini ratio data between districts / cities in Bali Province.

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