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## Analysis of Public Wellbeing as the Determinants of Income Distribution Disparity in North Sumatra in the 2002-2021 Period

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**Abstract:** Income distribution disparity is one of the challenges in the economic development process in any Indonesian region, especially North Sumatra. The objective of this research is to analyze how public wellbeing serves as one of the determining factors for income distribution disparity in North Sumatra during the 2002-2021 period. This quantitative study uses the Two-Stage Least Squares (2SLS), whose result suggest that population and poverty do not significantly influence per capita GRDP and that Human Development Index (HDI) positively and significantly influences per capita GRDP. Further, public wellbeing, which was measured using per capita GRDP, positively and significantly affects income distribution disparity, confirming Kuznets's inversed U hypothesis. The findings above imply the importance of government policies aimed at enhancing human resource quality through education and health and designing more effective poverty eradication programs to attain sustainable equitable economic development in North Sumatra.

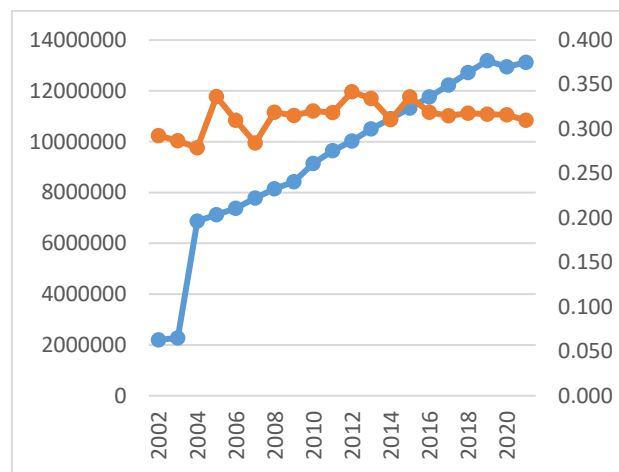
**Keywords:** Population, poverty, Human Development Index, per capita GRDP, income distribution disparity, Two-Stage Least Squares, North Sumatra Province

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**INTRODUCTION**

To grow the economy in developed and developing countries is based on the same goal of improving the welfare of its people. This goal can be achieved through economic development through local and central government. However, in fact, economic development is not always fair in achieving its goal of improving people's welfare, resulting in economic problems such as inequality. With the occurrence of gaps, it causes the problem of income distribution inequality in a region. The so-called income distribution inequality is a condition of unequal distribution of income received by the community. Income distribution inequality is a problem in the economic field that cannot be avoided in the process of economic development. On the other hand, the existence of inequality can motivate some underdeveloped regions to continue to strive to improve the quality of life with more developed regions so as not to be left far behind. The existence of competitiveness in improving the quality of life has a positive impact. However, it has a negative impact in that inequality in income distribution can lead to economic inefficiency, weakened social stability and solidarity. Thus, in general, the occurrence of inequality in a region is considered unfair (Todaro, 2006). According to Kuncoro (2011) in a region, economic development is said to be successful when per capita income increases and the level of income differences can decrease. Per capita income is one of several causes used to determine the quality of people's welfare in a region and see the performance of the economy as a whole, but in achieving the main goal of development it is better accompanied by a decrease in inequality.



**Figure 1.**

Source: Central Bureau of Statistics (processed)

As shown in Figure 1 above, the GRDP per capita according to constant 2000 base price and the gini ratio for 20 years has changed every year. The highest per capita GRDP according to constant 2000 base price in 2019 amounted to Rp.13,186,590 with a gini ratio of 0.37. The lowest per capita GRDP according to constant 2000 prices in 2002 amounted to Rp.2,197,781 with a gini ratio of 0.293. The increase in per capita income that occurs every year is generally accompanied by an increase in the uneven distribution of income in North Sumatra 2002-2021. This shows that economic growth in the early stages of income distribution inequality is increasing enough to form an inverted U. The increase in population has a direct influence on the level of community welfare, but its impact can be a driving and inhibiting factor (Sukirno, 2006). Economic development is inseparable from poverty in improving people's welfare. Poverty is a condition where people are unable to fulfill their basic needs, for example health, food and so on. Low income can affect the standard of living problems. According to Kuncoro (2004) poverty can be caused from the economic side, namely the low state of natural resources that make the emergence of the poor, the low quality of human resources that are different from other regions that are better so as to produce low productivity so that it has an influence on the income received. Indicators to measure

the quality of both non-physical or physical can use the Human Development Index or HDI through education, health and economic standards (Suliswanto,2010).

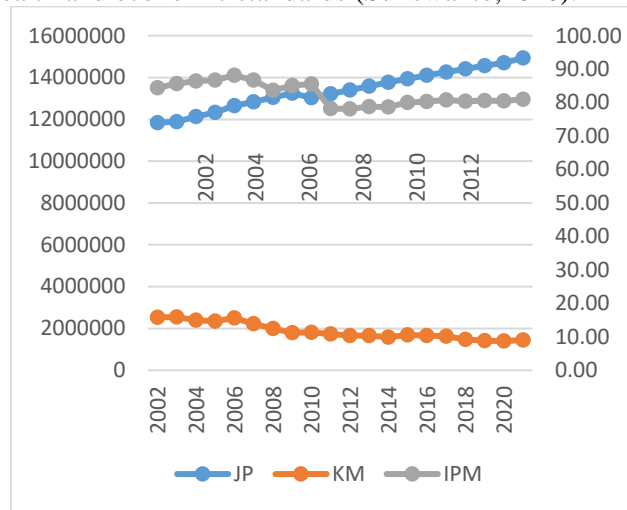


Figure 2.

Source: Central Bureau of Statistics(processed)

Yenni Del Rossa and Ingra Sovita (2016) through their research stated that income distribution inequality in 2009- 2015 was influenced by per capita income, population density and unemployment which had a significant positive effect. Furthermore, research conducted by Ida Ayu Paramitha Astuti and Ida Bagus Putra Atika (2016) which explains the significant negative effect between population and community welfare in Bali Province. Research conducted by Ryan Ezkirianto and Muhammad Findi which explains the significant positive influence between the Human Development Index on community welfare. The purpose of this study is to identify and describe the population, poverty and human development index (HDI) on people's welfare, analyze the effect of people's welfare on income distribution inequality in North Sumatra province in 2002-2021 and provide policy recommendations for the North Sumatra provincial government to improve people's welfare and reduce income distribution inequality. Furthermore, the theoretical benefit of this research is to enrich the literature on factors affecting community welfare as a determinant of income distribution inequality and support the Kuznet theory related to income distribution in development.

**OVERVIEW**

**The Effect of Population on the Economy and Income Distribution Inequality**

In the theory of economic growth by Reed (1964), it is stated that a high population can provide abundant labor and has the potential to increase production and economic growth. However, if not matched with an increase in productivity, a high population can reduce per capita income and increase inequality. Furthermore, according to Lewis (1954) in the *Dual Sector Model*, population growth in the traditional sector (*agriculture*) can hamper modern scores (*industry*) if labor migration from the traditional sector to the modern sector does not occur effectively. This can lead to inequality between the traditional and modern sectors. Lastly, Todaro (1980) in the *Urban-Rural Migration* model explains that population growth in rural areas can lead to migration to urban areas without an increase in employment opportunities in urban areas, which can exacerbate poverty and inequality in both areas.

**Poverty and Its Impact on GRDP Per Capita and Inequality.**

Structural theory states that poverty is caused by structural inequalities in the distribution of resources and opportunities. Karl Marx (1867) argued that the capitalist economic structure causes income inequality because control over the means of production is in the hands of a minority, while the majority of people only have labor to sell. Furthermore, the *Cycles of Poverty*

theory by Michael Lipton (1977) explains that poverty can continue from generation to generation through mechanisms of poor education, poor health and limited access to economic opportunities. Finally, the *Human Capital* theory developed by Gary Becker (1964) emphasizes that a lack of investment in education and training leads to low labor skills, which in turn hinders individual income generation and economic growth.

**Human Development Index as a Determinant of GRDP Per Capita**

The level of human empowerment is an important condition in determining the extent to which the community can absorb and manage existing natural resources, follow technological advances in the institutional field to achieve economic improvement. The education index, life expectancy index, and decent living standard index are combined and measured into a human development index (Kuncoro, 2006). Becker (1964) emphasized the importance of investment in health and education as the main components in improving human resources that ultimately have a good impact on productivity and economic growth.

**GRDP Per Capita as an Indicator of Community Welfare**

The aggregate satisfaction of everyone in society is referred to as welfare. Meanwhile, the satisfaction that a person gets from the consumption of services and goods related to real income is referred to as individual welfare (Skousen, 2005). The creation of efficient conditions according to Vilfredo Pareto from resources is referred to as Pareto conditions where goods and services can be distributed equally so that no other party is harmed or benefited.

**Income Distribution Inequality and its Measurement Indicators**

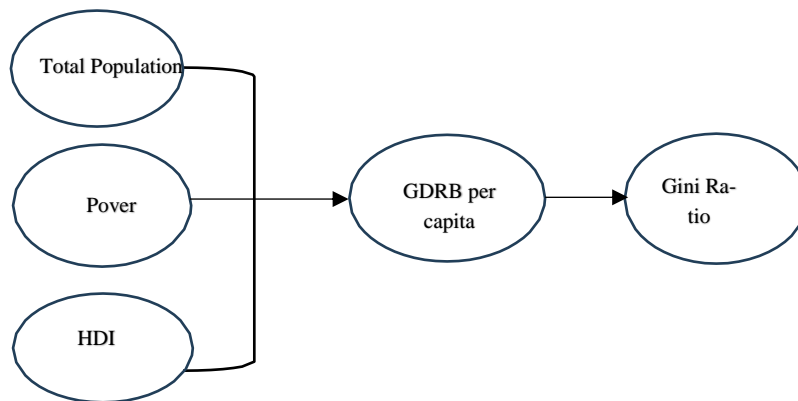
The situation of inequality in the income earned by the people is referred to as income distribution inequality. In the economic development of a region, income distribution inequality cannot be eliminated. The occurrence of inequality can be a motivation for underdeveloped regions so that their quality of life can be improved with this occurrence, there will be regional competition and an increase in the quality of life will have a positive impact. The occurrence of high-income distribution inequality in a region has negative impacts such as economic inefficiency, a decrease in solidarity and stability in general is considered unfavorable (Todaro, 2006). The situation of inequality in the income earned by the people is referred to as income distribution inequality. In the economic development of a region, income distribution inequality cannot be eliminated. The occurrence of inequality in a region has negative impacts such as economic inefficiency, a decrease in solidarity and stability in general is considered unfavorable (Todaro, 2006). In an analysis conducted by Kuznet in 1955 entitled "Economic Growth and Income Inequality", he explained the relationship between per capita income and the inverted U-shaped income gap. This curve states that in the early stages of welfare worsening and with increasing per capita income will result in better income distribution (Arsyad, 2010).



**Figure 3. Drawing of Kuznets's inverted U- Curve**

In the early stages of economic development, the industrial sector will increase so that the economic structure will shift to a modern, initially traditional one that includes the goods and services sector. With the shift in the economic sector, the productivity played by economic actors, namely the community, will increase in the modern sector so that per capita income increases. Furthermore, at the development stage, income distribution inequality will decrease due to the absorption of labor in the community with the occurrence of a modern economic sector.

**Framework**



**Figure 3. Framework**

Income distribution inequality is a condition where there is an uneven distribution of income. The influence of GRDP per capita in reducing inequality is in accordance with the inverted U-shaped kuznet hypothesis between GRDP per capita and the gini ratio in economic development. The decrease and increase in GRDP per capita in a region can be influenced by population. Population can have a negative impact on economic development. Where the population increases, it can reduce GRDP per capita. Poverty that occurs in a region shows the inability of people to meet their needs, which indicates a decrease in GRDP per capita. The HDI shows the quality of human resources in a region. Increasing the human development index number shows the high skills of the community so that it can increase GRDP per capita. The increase in GRDP per capita indicates that the community is prosperous. In accordance with the goal of economic development is the welfare of society.

**Hypothesis Development**

The hypotheses in this study are

**H1:** Population, pover, HDI have a significant effect on GRDP per capita.

**H2:** GRDP per capita has a significant effect on the Gini Ratio

**METHODS**

This study uses a quantitative approach to examine the influence of community welfare factors as determinants of income distribution inequality in North Sumatra Province in 2002-2021, which is formed based on existing theory. Data collection methods are divided into primary data and secondary data. The collection results derived from survey, experiment, and observation methods obtained directly are referred to as primary data. Meanwhile, data obtained and published by agencies for certain purposes are referred to as secondary data. Researchers in this study used secondary data obtained through several sources. This study uses a simultaneous equation model which is a model that has more than one independent variable from one equation that has a relationship (Gujarat, 2004). In this model, one variable has two roles, namely dependent and independent variables which are often referred to as exogenous and endogenous variables. This simultaneous equation model according to Chow (1983) is a very suitable model in applying

economics where this system is able to formulate a stochastic model that is suitable for testing economic theory. In this study there is a structural equation as follows:

$$\text{Structure 1: GRDP} = \alpha_0 + \alpha_1 \text{ JP} + \alpha_2 \text{ KM} + \alpha_3 \text{ HDI} + \varepsilon$$

$$\text{Structure 2: GR} = \beta_0 + \beta_1 \text{ GRDP} + \varepsilon$$

**RESULTS AND DISCUSSION**

Dependent Variabel : PDRB perkapita					Arah	Signifikasi	
Variabel	Coefficient	Std.Err	t-Statistic	Prob			
Jumlah Penduduk	-1.624104	0.912098	-1.780624	0.0952	Negatif	Tidak Signifikan	
Kemiskinan	-0.008312	0.010801	-0.769530	0.4535	Negatif	Tidak Signifikan	
IPM	0.166546	0.020102	8.284980	0.0000	Positif	Signifikan	
C	-0.014404	0.016676	-0.863762	0.4013			
Number of Obs	20						
R-Squard	0.825657						
Adj R-Suard	0.790789						
Prob> F	0.000006						
Dependent Variabel : Gini Rasio					Arah	Signifikasi	
Variabel	Coefficient	Std.Err	t-Statistic	Prob			
PDRB perkapita	0.026512	0.011186	2.370073	0.0292	Positif	Signifikan	
C	-0.111201	0.179436	-0.619722	0.5432			
Number of Obs	20						
R-Squard	0.265853						
Adj R-Suard	0.225067						
Prob> F	0.029161						

This forming the 2SLS model equation as follows:

$$\Delta\text{PDRB} = -0.014 - 1.624 \Delta\text{JP} - 0.008 \Delta\text{KM} + 0.166 \Delta\text{IPM} + e$$

$$\text{GR} = -0.111 + 0.026\Delta\text{PDRB} + e$$

Based on this equation, it can be interpreted as:

- The effect of JP on GRDP per capita obtained a coefficient of -1.624 which indicates that changes in JP will negatively affect changes in GRDP per capita, with each change in JP of 1 unit will affect the decrease in GRDP per capita by 1.624 units. (Not significant)
- The effect of KM on GRDP per capita obtained a coefficient of -0.008 which indicates that changes in KM will negatively affect changes in GRDP per capita, with each change in KM of 1 unit will affect the decrease in GRDP per capita by 0.008 units. (Not significant)
- The effect of HDI on GRDP per capita obtained a coefficient of 0.166 which indicates that changes in HDI will have a positive effect on changes in GRDP per capita, with each change in HDI of 1 unit will affect the increase in GRDP per capita by 0.166 units. (Significant)
- The effect of GRDP per capita on GR obtained a coefficient of 0.028 which indicates that changes in GRDP per capita will have a positive effect on changes in GR, with each change in GRDP per capita of 1 unit will affect the increase in GR by 0.028 units. (Significant).

The results show that JP and KM have a negative influence on GRDP per capita, then HDI has a positive influence on GRDP per capita. Then GRDP per capita has a positive influence on GR.

### **Relationship between X and Y variables**

Simultaneously, population has a role in increasing labor and expanding markets in an economy. When included with poverty and HDI variables, the impact of population is stronger because a high population can increase the potential labor force in the economy. However, this impact depends on the quality of the labor force and the capacity of the economy to absorb new labor. If the increase in population is not in line with the quality of education and skills of the workforce, then a high population can actually have a negative impact on GRDP per capita. Furthermore, poverty can hinder productive contributions in society, because increasing poverty indicates limitations in obtaining education, health and other resources that are important to support productivity. When poverty is combined with population and HDI in the model, the negative impact of poverty becomes more pronounced as increasing poverty can reduce GRDP per capita, especially in large populations where many individuals live below the poverty line. High levels of poverty can put a strain on the economic system requiring additional social services which can reduce funds for productive investment. HDI then serves as an indicator of quality of life and productivity that has a direct impact on GRDP per capita, when it is combined with population and poverty. In the concept of simultaneous effect, HDI moderates the impact of population and poverty. A high HDI level indicates that people have better access to education, health, and income. This means that people can contribute more to GRDP per capita. In other words, an increasing HDI can reduce the negative impact of poverty and maximize the positive contribution of population, which in turn simultaneously affect GRDP per capita.

### **Effect of Population on GRDP Per Capita**

From the regression results that have been carried out, the relationship between population and community welfare in North Sumatra Province is negative and insignificant. So, the increasing population, the welfare of the community will decrease and vice versa. So, it is in line with the theory of Reverend Thomas Malthus who emphasized that there is a relationship between population growth and economic development 1978 (Arsyad, 2014). Where there is a phenomenon of population growth in one region or country whose growth increases in the time series every 30-40 to double, along with this the production factors of food and land will grow following the count series. This causes food reserves that have not been able to keep up with the rapid increase in population to cause per capita income to tend to decline. Affandi (2018) in his research also states that population has a negative effect on Indonesia's GRDP. The increase in population results in decreased community welfare and vice versa, a decrease in population can improve community welfare. In addition, North Sumatra Province has the fourth largest population (BPS, 2020) With an uncontrolled increase in population in economic development in a region resulting in the fulfillment of increased community needs, if it is not accompanied by an increase in income received by the community, it makes it difficult to achieve development goals, namely community welfare.

The insignificance of the increase in population in increasing GRDP per capita is possible because the population increases, the contribution of productivity per individual remains low or basic needs and expenses increase without being offset by significant economic growth. In the province of North Sumatra, a large population has a negative effect because it is not matched by an increase in productivity and adequate employment opportunities. In the theory of the Solow-Swan model, developed by Robert Solow and Trevor Swan, economic growth in the long run is determined more by total factor productivity, not just by increases in labor or population. This model shows that an increase in population will not increase output per capita if it is not accompanied by a significant increase in productivity or capital accumulation. According to Arthur Lewis in his dual economy theory, developing countries often experience "overpopulation" in traditional low productivity sectors such as agriculture. Lewis argues that without a transition of labor to more productive modern sectors, an increase in population will only enlarge the workforce in low productivity sectors that have no significant impact on GRDP per capita.

In some studies, in line with this, it is shown that an increase in population does not always have a positive impact on GRDP per capita, especially if population growth is not matched by an

increase in productivity or investment in human resources. Research conducted by Kimdkk. (2014) explains that in areas with high population concentration, such as the Seoul metropolitan area. The increase in population can suppress economic growth because the increase in demand is not balanced with the existing economic capacity. This study strengthens the hypothesis that adequate population can reduce or increase the positive impact of GRDP per capita. In the long run there is a relationship between population growth and GRDP per capita, the impact is often indirect and depends on the development of productive sectors as well as the quality of infrastructure and education. The relationship is only significant when supporting factors such as physical capital, labor quality and economic environment are also supportive. Furthermore, Nanda Fitri Yenny and Khairil Nawar (2020) in their research also revealed that the insignificance between population and GRDP per capita is due to the area that is the object of research, namely Lhoksumawe, economic development which is not focused on the number of residents but focuses more on improving infrastructure, increasing per sector which will affect GRDP per capita. With the awareness of the community will be mutually encouraged to be more productive.

### **The Effect of Poverty on GRDP Per Capita**

From the results, it was found that the effect between poverty and community welfare was negative and insignificant, it is possible that there are other factors that are more dominant in influencing GRDP per capita such as the Human Development Index (HDI) which actually has a significant effect in this study. The effect of poverty on community welfare, its impact on GRDP per capita is not directly visible or covered by the growth of certain sectors that have no impact on poverty. According to a World Bank study, when the population is large and poverty is high, the direct effect on GRDP per capita is low if investment in the productive sector and education is also minimal. Furthermore, that theory of effective demand limitation according to Keynesian in Jacob et al (2016) explains that low demand from the poor can limit economic growth. The poor have low purchasing power so that their contribution to agrarian demand in the economy is small. This means that when the poverty rate decreases, if purchasing power remains low or only tends to be limited to basic needs, the impact on GRDP per capita tends to be small or insignificant. Keynes argued that effective demand is the main key in driving production and economic growth. Furthermore, the dual economy theory by Lewis in Juan Gabriel Brida et al (2024) shows that poverty reduction in traditional low-income sectors such as agriculture does not always affect modern sectors that contribute heavily to GRDP per capita. The labor-intensive traditional sector, despite experiencing poverty reduction, may not be productive enough to significantly increase GRDP per capita due to relatively low productivity compared to the modern sector. Lewis asserts that in an economy split between traditional and modern sectors, the contribution of the traditional sector to GRDP per capita will remain small until there is a greater transition of labor to the modern productive sector. Thus, if the poverty rate increases, the welfare of the community decreases. Conversely, the lower the poverty rate, the greater the value of a prosperous society. Kuncoro (2004) argues in his theory that the main factors causing poverty when viewed from an economic aspect are the low state of natural resources that make the emergence of poor people, human resources that are less qualified than other regions that are better so as to produce low productivity so that it has an influence on the income received. The results of this study are in line with the insignificance of poverty on GRDP per capita, especially in developing countries. Studies by Dollar and Kray (2002) and Kray (2006) sourced from the International Monetary Fund, World Bank found that poverty reduction is more effective through economic growth that focuses on increasing average income rather than through direct poverty reduction. In countries with weak economic infrastructure, poverty reduction without an increase in productivity or economic opportunity often has no real impact on GRDP per capita. Furthermore, research by Miftahud Hanifah (2023) in his research confirms that there is a negative effect between poverty and GRDP. GRDP variables reflect the welfare of the community in a region. Poverty is caused by several interrelated indicators such as health, unemployment, geographical location to ease of access to services and goods. Poverty today is no longer considered as an economic inability but also as a form of society that fails to live life with dignity.



### **Effect of Human Development Index on GRDP Per Capita**

The regression results show a positive and significant influence between the human development index (HDI) and GRDP per capita. HDI includes three main aspects, namely education, health and living standards. An increase in HDI indicates an improvement in the quality of education and health as well as a better income for the community. High quality education creates a more skilled and innovative workforce, while improved health ensures optimal work productivity. Thus, an increase in HDI is positively correlated with an increase in productivity so that it can contribute directly to an increase in GRDP per capita. This result is in accordance with the theory proposed by Theodore Schultz and Gary Becker, which explains that education and health are the competitiveness of labor. According to Becker (1964), higher education increases individual skills and adds to the economic value produced. In an economic context, a healthy and educated workforce is able to work together efficiently and innovatively, which ultimately has an impact on GRDP per capita. Thus, an increase in HDI, which measures the level of education and health in a region, is in line with this theory. When HDI increases, people tend to be more productive, increasing output and purchasing power which all contribute to GRDP per capita. Furthermore, the endogenous growth theory developed by Paul Romer and Robert Lucas explains that quality human capital is the main driver of sustainable economic growth. In this theory, innovation and increased knowledge generated by an educated workforce trigger higher productivity in the economy. Lucas (1988) argues that human capital acts as a driver of economic growth because it increases economic growth and technological innovation. Broadly speaking, an increased HDI affects increased welfare. Increasing HDI indicates a high level of human development (Arsyad, 2004). The increase in human resources shows the extent to which the community's ability to absorb and manage existing resources, can adapt to technological advances and so on. The situation of the community to be able to access health, obtain income and so on is described through the Human Development Index. The results of this study are in line with the research of Vista Puji Winarti (2022) which states that there is a positive influence between the Human Development Index on economic growth as seen from GRDP per capita. So, it can be concluded that with the increasing human development, it affects income in North Sumatra Province. The greater the Human Development Index so that it will result in increased income and result in increased GRDP of North Sumatra Province. Furthermore, a study by McKinsey (2019) explains that regions or countries with better quality of life, access to adequate education and health show higher economic growth compared to regions with low HDI. This study emphasizes that improving human quality through education and health has a positive effect on GDP per capita.

### **Effect of GRDP per Capita on Income Distribution Inequality**

The regression results show a positive and significant influence between GRDP per capita and income inequality, meaning that the higher the agrarian welfare, the greater the inequality in income distribution. This result is consistent with Kuznets's theory, which states that in the early stages of economic growth, an increase in GRDP per capita often benefits certain groups, potentially increasing inequality. In theory, public welfare by Skousen (2005) refers to the aggregate satisfaction that individuals in society feel from the consumption of goods and services derived from real income. However, Vilfredi Pareto in the concept of Pareto Optimality explains that efficient distribution of goods and services does not necessarily mean equal distribution of income (Mankiw, 2011). This means that Pareto optimal conditions can be achieved without full equality, which is consistent with the finding that high GRDP does not always go hand in hand with declining income distribution.

Based on the analysis of the comparison of income increase between the richest 20% group and other groups in North Sumatra province in the period 2002-2021 based on data on inequality and income distribution according to BPS, the gini ratio in North Sumatra province showed relatively stable fluctuations in the range of 0.32 - 0.35 for two decades. This indicates a moderate level of inequality, although there was a small increase in the 2011-2015 period as economic growth was more rapidly enjoyed by the upper group compared to the middle and lower groups. Furthermore, in terms of income distribution, nationally the richest 20% controlled around 45-

50% of income during the period, while the poorest 40% only enjoyed around 15-20%. A similar trend was observed in North Sumatra province, where the richest groups were generally engaged in the formal high-wage sector or owned assets that provided passive income while the lower groups mostly worked in the informal sector. Finally, during the period 2002-2021, economic growth in North Sumatra province ranged from 4 - 6% per year. However, this growth is uneven. Based on World Bank analysis, income growth tends to be higher for the wealthiest groups, mainly because they are able to take advantage of new economic opportunities, such as urbanization and industrial expansion. In contrast, the middle class has limited access to education, training and business capital. Katon Prasetyo Wibowo (2023) in his research found that there is a positive influence between GRDP and income distribution inequality. This study concludes that economic growth in increasing the GRDP of a region can increase inequality when the increase is only felt by certain people. This shows that regions with lower per capita GRDP, if accompanied by equitable distribution of economic benefits. These results are also in line with Rosa and Sovita (2016) and Serta et al (2017) which show that GRDP per capita can have a significant effect on income inequality, either positively or negatively depending on the dynamics of the local economy.

## CONCLUSIONS AND SUGGESTIONS

### Conclusion

Total population (JP) and poverty (KM) have no significant influence on GRDP per capita. This suggests that changes in these two variables are not strong enough to affect the level of GRDP per capita. The Human Development Index (HDI) shows a significant effect on GRDP per capita, indicating that the quality of human resources contributes significantly to promoting community welfare. GRDP per capita has a significant influence on the Gini ratio, meaning that an increase in GRDP per capita can affect the level of income distribution inequality in North Sumatra Province.

### Advice

The government should continue to increase efforts in improving the quality of education, health services and skills training oriented to market needs with this step is important to increase community productivity which can directly affect GRDP per capita and develop programs to strengthen access to technology and innovation that can support the improvement of the Human Development Index in areas that are still lagging behind. The government should strengthen transportation and logistics infrastructure to improve inter-regional connectivity, encourage investment through incentives and the development of special economic zones, and expand access to finance and microcredit for the poor. This approach should be accompanied by a fair economic retribution policy to ensure that the benefits of GRDP per capita growth can be felt equally by all levels of society so as to reduce income distribution inequality.

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