Income Distribution Inequality Analysis between Regencies/Cities in Papua Province

I Nyoman Putu Arka[1]   Prof. Dr. Nyoman Djinar Setiawina, SE., MS.[2]

Dr. I Nyoman Mahaendra Yasa, SE., M.Si.[2]   Dr. Ni Nyoman Yuliarmi, SE., M.Si.[2]

1.Doctorate Candidate from Faculty of Economic and Business at Postgraduate Program,
University of Udayana, Denpasar, Bali, Indonesia

2.Lecturer Department of Development Studies, Faculty of Economics dan Business,
University of Udayana, Denpasar, Bali, Indonesia

Abstract

The phenomenon of inequality between regencies / cities in Papua province indicate an upward trend as a consequence of regional development policies which tend to be concentrated in coastal areas, but less attention to their equity. Performance development becomes meaningless when presenting the inequality of income distribution between regions is low and does not widen. The purpose of this study is to analyze the influence between variable factors of natural resources, labor absorption, agglomeration and economic growth on inequality of income distribution among regencies / cities in Papua Province period 2009-2013. Data were analyzed using a quantitative approach with descriptive and inferential statistics causal model with path analysis. The study concluded that the direct effect of factors of natural resources on a significant negative agglomeration and labor absorbed the significant positive agglomeration. The direct effect of factors of natural resources and labor absorbed the significant positive economic growth. The direct effect of factors of natural resources, labor absorption, agglomeration and economic growth on inequality of income distribution among regencies/cities in Papua Province is a significant positive. Furthermore, the indirect influence of factors of natural resources and manpower absorbed against inequality of income distribution among regencies/cities in Papua either through mediation and mediation agglomeration is significant economic growth as well as both the indirect effect of this is partial mediation. To lose or not widening inequality of income distribution among regencies / cities in Papua province local government policies are needed to improve the distribution of development in the district prioritized relatively underdeveloped and new developing without ignoring the more developed regions.

Keywords: unequal distribution of income among regions, the natural resources of labor absorption, agglomeration, economic growth

1. Introduction

Papua Province is a part of the Unitary Republic of Indonesia (NKRI) located at the eastern of Indonesia, directly adjacent to the State of Papua New Guinea. Papua Province government has developed until now these observations do have totaled 29 regencies/cities. With special autonomy for Papua Province in 2001, has formed a new autonomous regions that have an impact on development into the fast growing, but at the same time followed the existence of inequality between the regions. Impoverished population of Papua province in 2013 has recorded the highest percentage that is equal to 31.53 percent of the average national level of 11.47 percent and even still higher compared with that of West Papua province at 27.14 per cent, then the achievements of the human development index recorded still occupies the lowest position in Indonesia at 66.25 from the national average of 73.81 and is still lower compared with that of West Papua Province reached 70.62 (BPS Indonesia, 2014). A striking difference is necessary to find an alternative solution to the solution to lower and widening inequality between the regions.

Sumodiningrat (2007) says that the gap is prolonged into a threat which would eliminate the potential economic resources in support of sustainable development. Socially, this problem can also bring jealousy and trigger conflict and unrest. For that an important step in reducing the gap is increasing the productivity and income of the population low-income groups, encouraging the spread of population, optimally leverage the potential of the area by building infrastructure and improving linkages between sectors are realized through the construction area. Economic development is a process whereby a country's income per capita increased over a long period of time, with a note that the number of people living below the absolute poverty line has not increased and income distribution more unequal (Meier, 2000). Income per capita is an indicator to assess the success of economic development in a region. Figure 1 shows that the average per capita income - average between regencies / cities in the province of Papua.

Figure 1. Average per capita GRDP Every Regency/City in the province of Papua
Upper Constant Prices Without Mines Year 2009-2013
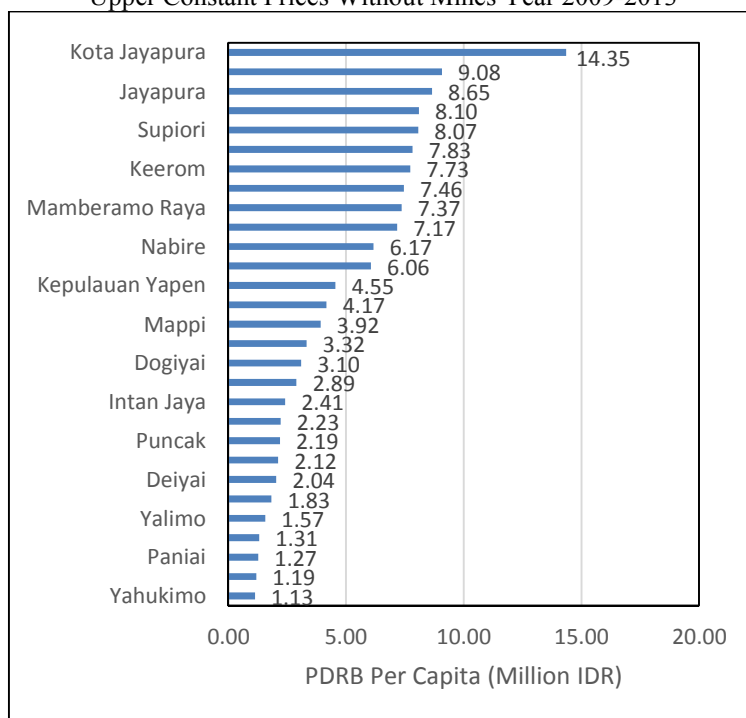
Source: Statistic Bureau of Papua Province, 2014

While Figure 2 shows the index of inequality the area in Papua. Although the index of inequality between regions is still relatively low with an average of 0.1035 points, but there are 11 regencies / cities, or 40 percent of the index of inequality is above the average and 18 regencies or 60 percent were below average.

Figure 2. Distribution of Income Inequality Index average Each District / Municipality in Papua Province Year 2009-2013
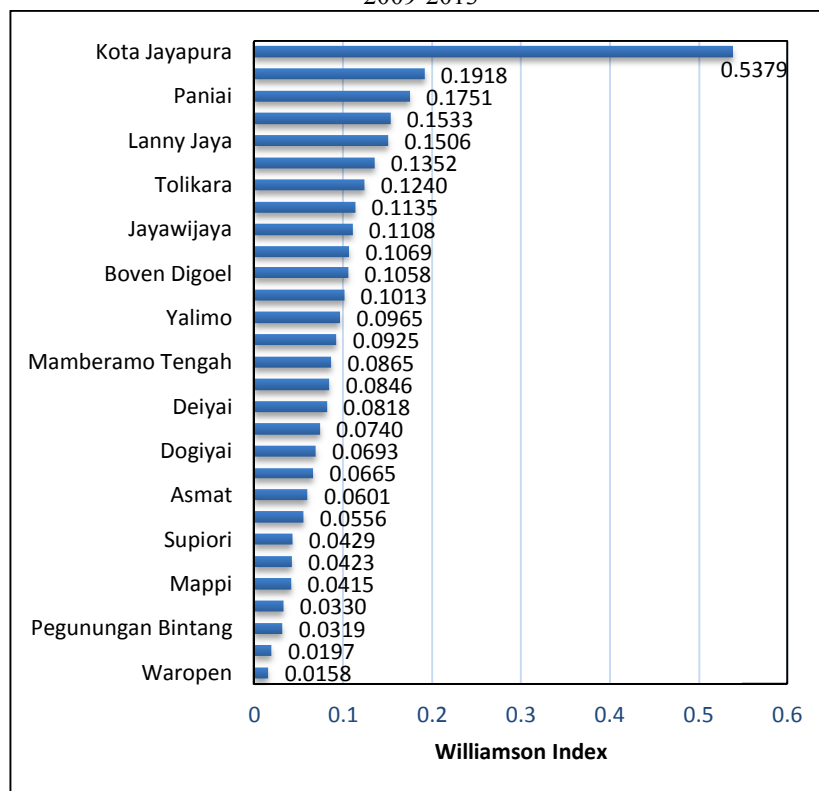
Source: Statistic Bureau of Papua Province, 2014

According Mustopadidjaja et al. (2012), development of the Papua region as one of the largest islands in Indonesia the most easterly and directly borders with neighboring Papua New Guinea have a more difficult challenge than other regions. The biggest challenge is to improve the quality of human resources with the same attention to all coastal areas, mountainous regions and plains region, and simultaneously build linkages between regions in a single spatial.

The purpose of this study was to analyze: (1) the influence of natural resources and manpower absorbed against agglomeration; (2) the influence of natural resources and labor to economic growth; (3) the influence of natural resources, labor absorption, agglomeration, and the economic growth of the inequality of income distribution among regencies / cities in the province of Papua. In addition, this study also aims to analyze the role of agglomeration and economic growth in mediating the indirect influence factor of natural resources and manpower absorbed against inequality of income distribution among regencies / cities in the province of Papua.

2. Theoretical Review
2.1 Development Theory Rostow
Rostow (1960) in his famous book is: "The Stages of Economic Growth: A Non-Communist Manifesto" say that the developing countries that want to move forward to go through the stages of development, namely: (1) the traditional society or the stage of traditional society is a country that is the structure of society built on the production functions are limited. The level of income per capita is still low due to lack of knowledge and the application of modern technologies. Due to the limited productivity, the bulk of its resources devoted to producing raw materials; (2) The preconditions for take off or phase prerequisite for take off which includes people who are transitioning or a period that indicates the conditions towards the take off. Values and traditional ways are already beginning to be felt to be a challenge, whereas the values and ways of new, more efficient start to enter. The changes began to occur in the direction of a more modern society with more advanced economic system; (3) Take off or take-off stage of economic development is entering a period between when the obstacles and barriers to growth has begun to be addressed. Values, new ways, and the forces that cause widespread economic progress and begin to dominate society. The level of investment rose from 5 to 10 percent or exceeds the national income. During the time off, new industries growing rapidly and generate profits largely reinvested in new factories or new industries. Thereof so as to encourage the further expansion of urban areas and other modern industries; (4) The drive to maturity or stage movement towards maturity is the stage when economic activity is growing continually with regular and widespread use of modern technology to all aspects of economic activity. Approximately 10 to 20 percent of national income, continuously invested that allow the output increases rapidly exceed population growth. Economic activity has moved steadily into the international economy. In general, the stage of maturity is achieved approximately after 60 years of the commencement of the take off or 40 years after the end of the take off, and (5) The age of high mass cosumption or stage of high mass consumption is the stage when industrial development is intended to produce consumer goods durable in the field of services.

According to Rostow (1960), in addition to the stages of such a change, economic development also means that as the process that led to changes in: (1) changes in the orientation of economic, political, social and initially oriented to an area be oriented to the outside; (2) changes in society's view of the number of children in the family, that of wanting many children being a small family; (3) changes in the investment activities of the community, of doing unproductive investments (accumulate gold, buy a house, and so on) into productive investment; and (4) changes in attitudes and customs that occurred less stimulating economic development, for example: an appreciation of time, respect for individual achievement.

2.2 Theory of Economic Growth
The essence of economic thought Adam Smith (the father of Economics) and his followers, among others, that growth can occur through: the division of specialization of labor, trust in market mechanisms that take place in a free competition, government intervention is limited, the use of capital in production, capital formation of excess production (Adisasmita R., 2008).

The views Neo-Classical is not much different from the classical view. Everything lies in the power of markets with the opportunity to some extent to the interventions of the government. Development means growth through capital formation with a focus on microeconomics. At the micro-economic stage, market forces will produce a balance (Adisasmita R., 2008).

Modern economic thought started by Keynes opposed the classical view which states the absence of government intervention role in economic activity, but to Keynes government intervention is necessary, the government's fiscal policy that could affect the course of the economy, the market mechanism, the capitalist. Free competition is relied upon by the paradigm of Classical and neo-Classical, according to Keynes said it will always lead to equilibrium with unemployment, there is unused economic potential (Adisasmita R., 2008).

2.3 Theory of Regional Development

During development, disassembly concept for regional development and some of the theoretical basis that foreshadowed existence. The first was Walter Isard (1956 era) as a pioneer of regional science that examines the relationship of cause and effect of the main factors of space-forming regions, namely physical factors, socio-economic, and cultural. The second is the Hirschmann (era 1958) which led to the theory of polarization effects and the trickling down effect by arguing that the development of an area not occur simultaneously (unbalanceddevelopment).Third Myrdal (1950s) with a theory that explains the relationship between the developed area and the area behind it by using terms backwash effect and spreadwasheffect.Fourth is Freadmann (1960s), which put more emphasis on the establishment of the hierarchy in order to facilitate the development of the construction system that became known as the theory of economic growth centers. Fifth is Douglass (1970s) who introduced the birth of the model of rural-urban linkages in the development of the region (Hariyanto and Tukidi, 2007).

According Alkadri (1999), regional development is an effort to build and develop an area based on the spatial approach taking into account socio-cultural, economic, physical and institutional environment within a framework of planning and management of integrated development. For the concept of development of a region must adhere to the conditions of the area itself.

2.4 Growth Pole Theory

Rustiadi et al. (2011) say the growth center (growth pole teory), coined by Francois Perroux, said that development and economic growth do not occur in all regions, but limited to certain places with variables that vary in intensity. There is an element that is menentukaan the growth pole theory is the inevitable effect of an economic unit against other economic units. The effect is solely economic dominance that apart from the influence of spatial geographic area.

According to Tarin (2014), the center of growth (growth pole) can be interpreted in two ways, that is functionally and geographically. Functionally, the central location of the growth is a concentration of business group or branch of industry because of the nature of his relationship has elements of dynamism that stimulates economic life both inside and outside (the area behind it). Geographically, the growth center is a location that has many amenities and services to become a center of attraction (pole of attraction), which led to a wide variety of businesses keen to be located there and people love to come take advantage of existing facilities in the city, although probably not No interaction between businesses.

2.5 The concept of Inter-Regional Disparities

There is a tendency that development policies designed to boost economic growth has worsened the condition of the economic gap between regions. Economic disparities between regions is often a serious problem because some areas can achieve rapid economic growth, while several other regions experiencing slower growth. This can lead to migration of the population from the underdeveloped region to region forward causing social problems in the advanced economies. Moreover, economic progress is not the same in different areas can cause social jealousy that led to the conflict between the regions. If the situation is allowed to fester, can potentially destabilize the economy of the region and country (Sjafrizal, 2008).

Williamson found that during the early stages of development, inequality becomes larger territory and development are concentrated in certain areas. In the more mature stages of economic growth appears a balance between regions, the inequality is reduced significantly. According to Williamson inequality between regions is growing due to the migration of labor, and the construction of public facilities in a more populated area and potential. Besides the lack of inter-regional linkages can impede the process of the scatter effect of the development process that impact on the growing inequality. Development so far has resulted in high growth had not fully enjoyed equally by all layers or the various population groups throughout the region or in other words can not fully overcome the problems of inequality between regions (Kuncoro, 2004).

Inequality of income distribution between regions, is a reflection of uneven or gap in the development of a country sharing among the population (Dumairy, 1999). To measure income inequality between regions can use several approaches: Williamson index, Theil entropy index, the index Bonet, and sigma convergence (Kuncoro, 2013). In this study the unequal distribution of income among regions using Williamson index approach.

2.6 The concept of Natural Resources Factor

According Adisasmita R. (2013), economic growth is influenced by the factors of production are owned namely: labor, capital, natural resources, and technology. Sukirno (1999) argued that if the state has a wealth of natural resources that can be cultivated profitably, economic growth can be accelerated. Rustiadi et al. (2011) said that natural resources are the engine of growth in which humans transform into resource utilization artificial higher value that causes productivity and human welfare to be higher or better.

2.7 Concept of Labor Absorbed

By Sjafrizal (2012), that one of the factors that influence the development gaps among regions are due to differences in demographic conditions. Demographic here include differences in growth rates and structure of the population, differences in the level of education and health, as well as differences in employment conditions including the unemployment rate. Areas with good demographic conditions will have higher labor productivity that will encourage increased investment to the region concerned. Lesman (2006) look at the demographics of the unemployment rate of a region, where high unemployment rates associated with the increasing inequality in the region.

2.8 The concept of agglomeration

According Classical theory, agglomeration referred to as a form of spatial agglomeration concept of savings through the concept of externalities. Related to this concept economists often called the term internal and external savings (internal economies and external economies). Internal savings is a reduction of costs internally within a company or a factory. Several factors play a role in the reduction of internal costs include the division of labor, the replacement of human labor with machines or maintaining optimum point of operation to minimize costs. External savings is a reduction of costs incurred as a result of activities outside the scope of the company or factory. External savings can be achieved by an industry with spatially beraglomerasi for companies in the same industry compete against each other to gain market or consumer. Savings also occur because of the skilled labor and raw materials in the area. The linkage between the industry and its supporting elements is called cumulative causation (Kuncoro, 2003). According Kuncoro (2002), agglomeration as the spatial concentration of economic activity in urban areas because of the savings due to a nearby location (economies of proximity) associated with cluster spatially from the company, workers, and consumers to minimize costs such as transportation costs, information and communication.

2.9 The concept of Economic Growth

Djojohadikusuma(1994) said economic growth in contrast to economic development. Economic growth has to do with the process of increasing the production of goods and services in economic activities, while building contains a broader sense. Susanti et al. (1995) states that economic growth is one important indicator to analyze the economic development taking place in a country or region. Measurement rate of economic growth of an area can be calculated with the GDP growth indicators from year to year (Sukirno, 1995; Widodo, 2006; Prasad, 2011; Setiono, 2011; Dewanto et al., 2014).

3. Research Methods

Based on the background of the problems and the review of related literature, the present research conceptual framework can be seen in Figure 3.

The method of data collection is done by non-participant observation through literature, unstructured interviews and documentation. Secondary data were obtained from the Central Statistics Agency Papua Province. Secondary data analyzed a panel of data on county / city in the province of Papua in the period 2009-2013. Data were analyzed using a quantitative approach with descriptive and inferential statistics causal model with path analysis.
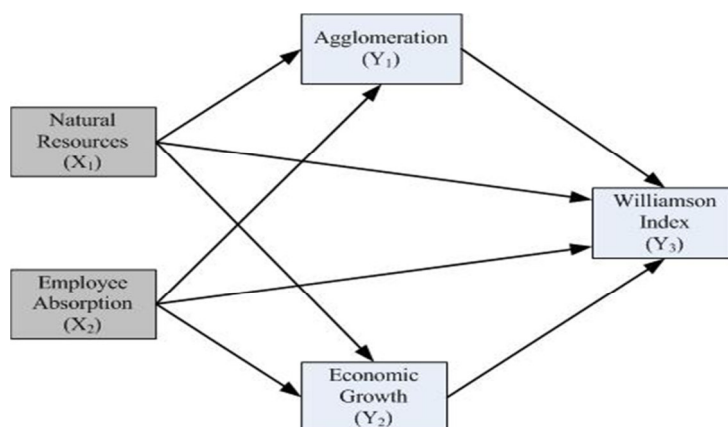

Figure 3. Conceptual Framework

4. Data Analysis and Discussion

4.1 Path Coefficient Estimate

Test results related to the direct influence between variables in the study as shown in Table 1.

Table 1. Results of Regression Model Under Direct InfluenceResearch

Variable	Path Coefficient	t-statistics	p-value	Sig. Effect
The Effect of Natural Resources and Employee Absorption Against Agglomeration $(X_1 \rightarrow Y_1$ dan $X_2 \rightarrow Y_1)$				
X_1	-0,547	-9,091	0,000	Significant
X_2	0,398	6,612	0,000	Significant
R_1^2 = 0,490				
$F_{Statistics}$ = 68,122 (p = 0,000)				
The Effect of Natural Resources and Employee Absorption Against Economic Growth $(X_1 \rightarrow Y_2$ dan $X_2 \rightarrow Y_2)$				
X_1	0,167	2,060	0,041	Significant
X_2	0,193	2,376	0,019	Significant
R_2^2 = 0,070				
$F_{Statistics}$ = 5,344 (p = 0,006)				
The Effect of Natural Resources, Employee Absorption, and Agglomeration, and Economic Growth Against Income Distribution Inequality $(X_1 \rightarrow Y_3; X_2 \rightarrow Y_3; Y_1 \rightarrow Y_3;$ dan $Y_2 \rightarrow Y_3)$				
X_1	0,258	4,709	0,000	Significant
X_2	0,197	3,931	0,000	Significant
Y_1	0,874	14,577	0,000	Significant
Y_2	0,090	5,003	0,000	Significant
R_3^2 = 0,748				
$F_{Statistics}$ = 104,007 (p = 0,000)				

Than, mediating variable test is performed using rules Sobel test. Summary results of the analysis of the indirect effect between empirical variables are presented in Table 2. All indirect effect relationship between the variables of the study showed that the mediating effect is significant and partial mediation. Furthermore it can be prepared a summary of the direct effect, indirect effect, and total effect among variables as shown in Table 3.

4.2 Validity Test (Goodness of Fit)
One indicator of the validity of the analytical model lines that total orcoefficient of determination multiple (R^2m).The coefficient of determination total structural equation models 1, 2, and 3 to see the magnitude of the value of R Square respective endogenous variables, namely: agglomerations with a value of R_1^2 = 0.490; economic growth with a value of R_2^2 = 0.070; and the inequality of income distribution among regencies / cities with a value of R_3^2 = 0.748. Formulas total orcoefficient of determination multiple (R^2m)used are as follows:

Table 2. Results of Indirect Influence accordance Regression Research Model

Independent Variable	Variable as Mediator	Dependent Variable	Sab	z value	Significant (z table = 1,96)
Natural Resources (X_1)	Agglomeration (Y_1)	Income Distribution Inequality (Y_3)	0.0003	-8.05	Significant
Employee Absorption (X_2)	Agglomeration (Y_1)	Income Distribution Inequality (Y_3)	0.0160	6.15	Significant
Natural Resources (X_1)	Economic Growth (Y_2)	Income Distribution Inequality (Y_3)	0.0170	2.11	Significant
Employee Absorption (X_2)	Economic Growth (Y_2)	Income Distribution Inequality (Y_3)	0.0210	2.47	Significant

$R^2_m = 1 - (1 - R_1^2). (1 - R_2^2). (1 - R_3^2)$
$R^2_m = 1 - (1-.490). (1-.070). (1-.748)$
$R^2_m = 1 - (0.510). (.930). (0.252)$
$R^2_m = 1$ to $0.1195 = 0.8805$

Thus the results of the third total determination coefficient analysis of structural equation models 1, 2, and 3 of the proposed generating value predictive relevance = 0.8805 strong because it is in the interval 0,67-1 (Ghozali, 2006). This means that the variation in the model constructed can be explained with a contribution of 88.05 per cent against the inequality of income distribution among regencies / cities in the province of Papua in the year 2009-2013. While the remnant of 0.1195, equivalent to 11.95 percent of the contributions of other variations that are not described in this model. This proves that the factor of natural resources, labor absorption, agglomeration and economic growth proved to be strong to explain the inequality of income distribution among

regencies / cities in Papua province in 2009-2013.

Table 3. Summary of Effects of Direct, Indirect Influence, and Influence Total Appropriate Model Research

Independent Variable	Dependent Variable	Direct Effect	Indirect Effect		Total Effect
			Through Agglomeration (Y_1)	Through Economic Growth (Y_2)	
Natural Resources (X_1)	Agglomeration (Y_1)	-0.547	-	-	-0.547
Employee Absorption (X_2)	Agglomeration (Y_1)	0.398	-	-	0.398
Natural Resources (X_1)	Economic Growth (Y_2)	0.167	-	-	0.167
Employee Absorption (X_2)	Economic Growth (Y_2)	0.193	-	-	0.193
Natural Resources (X_1)	Income Distribution Inequality (Y_3)	0.258	-0.478	0.015	-0.205
Employee Absorption (X_2)	Income Distribution Inequality (Y_3)	0.197	0.348	0.017	0.562
Agglomeration (Y_1)	Income Distribution Inequality (Y_3)	0.874	-	-	0.874
Economic Growth (Y_2)	Income Distribution Inequality (Y_3)	0.090	-	-	0.090

4.3 Discussion

The negative direct effect of natural resources factors to agglomeration of regencies / cities in Papua Province indicates that there is a link between the mutually reinforce efforts to improve the measurable variable resource factor nature of the effort to improve the agglomeration regencies / cities in the Province of Papua. Thus the increase factor of natural resources proxy of the agricultural sector and excavation without mine, cannot lead to increased agglomeration regencies / municipalities in the Province of Papua. This fact shows that the demand for factors of production inputs or raw materials derived from natural resources factor without mines to meet the needs of the agglomeration does not occur, and even tends to cause a decrease in the level of agglomeration regencies / cities in the Province of Papua. Other indications show that agglomeration for production activities based on natural resources without the mine is still relatively limited and uneven, and yet many export-oriented in each municipality / city in the Province of Papua.

Labor absorbed also have significantly directly effect to the agglomeration regencies / cities in Papua prove that the contribution of labor absorbed regencies / cities can lead to increased agglomeration regencies / cities in the Province of Papua. This fact is also supported by an increase in the number of employment on average every year which showed a consistent direction and can lead to increased contribution towards the presence of agglomeration is reflected from the GDP contribution of each regencies / city to total aggregate production (GDP) of the Province of Papua. However, the resistance of the characteristics of the labor force by education level is still carrying most of the workers absorbed in the regencies / city still has an average education level below high school.

Natural resource factor is believed to have a significant effect on the economic growth of the regencies / cities in Papua Province to prove that the respective contributions of the natural resources can lead to improving economic growth in the district / city Papua Province. This fact is supported by the increased contribution of the dominant factors of natural resources to the GDP formation regencies / cities that can contribute to economic growth in the regencies / cities in the Province of Papua.

Positive directly effect of labor absorbed to the unequal distribution of income among the regencies / cities in Papua indicates that the tradeoff between the effort to increase the number of labor absorbed against efforts to reduce inequality of income distribution among regencies / cities in Papua Province as measured by the index Williamson. The higher the difference in the number of labor absorbed between regencies / cities, it causes higher the inequality of income distribution among regencies / cities in Papua during the observation period 2009-2013. This condition is due to the difference in the number of labor absorbed between regencies / cities which have implications for different production output among the regencies / cities in the Province of Papua.

Natural resources factor has a directly significantly and positively effect to the inequality of income distribution among regencies / cities in the Province of Papua. These results meant that the increase factor of natural resources cannot lead to decreased inequality of income distribution among regencies / cities in the Province of Papua. But the inequality between regions is also caused by the utilization factor of natural resources and high-yield production contributes far higher than in the use of natural resources which low-

yielding lower production contribution. Differences in output production in natural resources between regions led to unequal distribution of income among the regencies / cities in the Province of Papua.

Labor positive absorbed directly influence and significant to unequal distribution of income among the regencies / cities in the Province of Papua. These results give a meaning that rising labor absorption cannot lead to decreased inequality income distribution between regencies / cities in the Province of Papua. This condition is due to the difference in the number of workers absorbed between regencies / cities which have implications for output different production among the regencies / cities in the Province of Papua.

Agglomeration has a positive and significant impact to the inequality of income distribution among regencies / cities in Papua Province indicates that there is a strong link between efforts to improve the measurable variables that proxy agglomeration of contributions GRDP each regencies / cities to the GDP of Papua Province by efforts to increase the inequality of income distribution among regencies / cities in the Province of Papua proxy for Williamson index. The increasing agglomeration, the increasing inequality of income distribution among the regencies / cities in the Province of Papua. This condition is caused by differences in the level of centering (agglomeration) is high only in a few regencies, and some other regencies have received less attention so as to produce an aggregate output of each regencies / cities different.

Significant direct effect of economic growth to inequality of income distribution among regencies / cities in Papua prove that economic growth can directly lead to increased inequality of income distribution among regencies / cities in the Province of Papua. This condition is caused by the uneven performance is still economic growth rates among the regencies / cities in the Province of Papua. This condition is caused by the uneven performance is still economic growth rates among the regencies / cities in the Province of Papua.

Indirect effect of natural resources factor to the unequal distribution of income among the regencies / cities in Papua province with mediation agglomeration is significant. These results give a meaning that agglomeration can mediate indirect influence factor of the natural resources of the inequality of income distribution among regencies / cities in the Province of Papua. Personality factors mediating the indirect influence of natural resources on inequality of income distribution among regencies / cities in Papua through mediation agglomeration is partial (partially mediated).

Indirect effect of labor absorbed to the unequal income distribution among the regencies / cities in Papua province with mediation agglomeration is significant. These results give a meaning that agglomeration can mediate indirect effect of labor absorbed by the unequal distribution of income among the regencies / cities in the Province of Papua. The nature of mediating the indirect effect of labor absorbed against inequality of income distribution among regencies / cities in Papua through mediation is a significant partial agglomeration (partially mediated).

Indirect effect of the natural resources factor tof the unequal income distribution among the regencies / cities in Papua Province through significant economic growth. These results give a meaning that economic growth can mediate indirect influence factor of the natural resources of the inequality of income distribution among regencies / cities in the Province of Papua. Personality factors mediating the indirect influence of natural resources on inequality of income distribution among regencies / cities in Papua through the mediation of economic growth is partial (partially mediated).

Indirect effect of labor absorbed against unequal income distribution among the regencies / cities in Papua mediated significant economic growth. These results give a meaning that economic growth can mediate indirect effect of labor absorbed against inequality of income distribution among regencies / cities in the Province of Papua. The nature of mediating the indirect effect of labor absorbed against inequality of income distribution among regencies / cities in Papua through the mediation of economic growth is partial (partially mediated).

5. Conclusions and Implications

Based on the results of study this concluded that the factor of natural resources and significant negative effect on the agglomeration, while the labor force absorbed positive and effect significanton the agglomeration regencies / cities in the province of Papua. Further factors of natural resources and labor absorption positive and impact significanton the economic growth of the district / city in the province of Papua. Similarly, the influence of natural resources, labor absorption, and agglomeration of the inequality of income distribution among regencies / cities in Papua Province also is positive and significant.

Indirect influence factor ofresources natural and labor absorption of the unequal distribution of income regencies / cities in Papua through mediation is a significant agglomeration and partial. Similarly, the indirect influence of factors resources of natural and labor absorption of the unequal distribution of income regencies / cities in Papua through mediation alsoeconomic growth are significant and partial.

On condition of inequality distribution of income among the regencies / cities in Papua province suggested to governments local to focus more on policy: equitable development, especially the increase in the provision of transport infrastructure, telecommunications, power and water supply, improvement of institutional

cooperation of government all at levels, private and public, ease permitting to increase the investment attractiveness based on natural resources without mining, expansion of opportunities, employment increasing the quantity and quality of human resources, equitable distribution of the population to encourage an increase in agglomeration andgrowth economic evenly. Private / business operators are advised to support the policy of equitable development of the government, especially the activities of investment cooperation based on natural resources without the mine's expansion of employment opportunities, development of knowledge and skills of workforce the existing in the company through education and training on an ongoing basis to achieve workforce skilled, qualified and increasing the production of competitive according to market needs. The community suggested to contribute to bring the ease of support through the provision of land / site development needs and the activities of private investment for the development of sector based natural resources without mine and awork skilled force.

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