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THE DEGREE OF SOCIAL WELFARE LOSS CAUSED BY INEQUALITY AND INEQUALITY IN INCOME DISTRIBUTION

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Abstract – This research was motivated by indications of uneven income distribution in Kenagarian Lasi, where the distribution of income in Kenagarian Lasi based on initial observations was very unequal, namely materially poor families by 72.6% and materially rich families by 27.4%. The purpose of this study is to determine the level of social welfare loss or the degree of social loss caused by uneven distribution of income. The study used a descriptive qualitative approach using observational data collection techniques and structured interviews, the informants in this study were the Kenagarian Lasi community with a total of 95 informants. Determination of the number of informants using the Slovin Formula and for the selection of informants is carried out by accidental sampling techniques. The data analysis technique used is the Atkinson Index. From the results of the study, the level of social welfare loss (degree of social loss) caused by the income distribution gap before zakat was Rp. 133,822.35. Meanwhile, after receiving zakat, the level of social welfare loss became Rp. 217,344.88 or an increase of Rp. 83,522.53. This increase in the degree of social loss has an impact on people's increasingly miserable lives.

Keywords: Social Disadvantage; Gap; Unevenness: Income Distribution

I. INTRODUCTION

Economic development is very important for each region, because with this development, it can be used as a benchmark point to see the progress and development of an area. According to Kattz, development is often formulated as a process of planned change from one national situation to another that is valued higher, in other words, development involves a process of improvement.1 Where each of these improvements will be a picture of future planning by the local government whether an area is worthy of being said to be an area that is advancing development or not.

Economic development is one indicator that can cause high and low economic growth rates in a region, and can also be aimed at overcoming various economic problems. If the growth of a region's development increases, the rate of economic growth will also increase

¹Martoyo, Development Issues: Theory and Practice, (CV. Sarana Gracia, 2019), p. 1

and inequality will be less. In essence, economic development aims to improve people's welfare and income equality.

According to Lincoln Arsyad, the characteristics and conditions of an area are very diverse and vary from one another, making the region experience different economic development as well.² development of each region can be measured through the distribution of income of its people. Through this income distribution, it can be clearly measured the level of welfare of an area. Where the area with an even distribution of income will be the better the level of regional development, and vice versa.

Income distribution will take a relatively long time to achieve a high growth rate if income distribution is focused on economic development. But on the contrary, if this economic development is more focused on achieving a high level of economic growth, it will make it more likely that there will be inequality of income distribution among communities or regions. Differences in regional growth and development rates will have an impact on differences in welfare levels between regions, which in turn causes regional inequality between regions to be even greater.³

The occurrence of development inequality between regions will have implications for the level of welfare of the people in the region concerned. Usually the implications caused are in the form of jealousy and dissatisfaction of the community which can also continue with political implications and public peace. Therefore, this aspect of inequality in economic development between regions needs to be overcome through the formulation of regional development policies carried out by local governments.⁴

Income distribution is a matter of income differences between high-income groups and those with low incomes. The larger the income gap, the greater the variation in income distribution. If imbalances continue to occur between the highest income groups and the people who are in poverty rendah, maka perekonomian tersebut benar-benar menggambarkan pertumbuhan yang tidak merata.5

As Allah says in the Qur'an means: What are they who distribute the mercy of your Lord? It is We who determine their livelihood in the life of the world, and We have exalted some of them above others by some degree, that some of them may take advantage of others. And your Lord's grace is better than what they gather.

The interpretation of the above verse is: that diversity is not one-sided. Human beings are not divided into classes, namely the capable class and the incapable class. If this were the case, God would not have said, "We have exalted some of them, that they may employ others." But Allah Almighty did not speak like this. God said that He had elevated some of them above others. It means that all humans have certain abilities, and that all humans take advantage of their own merits. In other words, give each other abilities and services.⁶

And this verse also describes man's natural and natural relationship in his social life, and says that man's relationship is such that there is a utilization of each other's services. It can be said that this is a very important verse from the point of view of a detailed explanation of Islamic social philosophy.⁷

Meanwhile Allama Faidh in his book, al-Shafi, explains this verse: the verse "that some may employ others" means that all human beings make use of their respective merits to fulfill

²Sahar, Analysis of the Level of Income Inequality Between Sub-districts in Kabuaten West Lombok, Competitive Journal, Development Economic Information Media, Management and Accounting. Vol. 4 No. 2, September 2018, p. 154

³ Wahyu Hidayat and Mohyi, *Economic* Research Methodology, (Malang: UMM Press, 2020), p. 133

Sjafrizal, Regional and Urban Economics, (Jakarta: Rajawali Pers, 2014), p. 107

⁵ Tiffany Kalalo, Analisis Distribusi Pendapatan Masyarakat Di Kecamatan Airmadidi Kabupaten Minahasa Utara, Jurnal Berkala Ilmiah Efisiensi. Vol 16 No. 01 Tahun 2016, hlm. 828

⁶ Murtadha Mutahhari, "Holistic Tafsir" Studies on the Relationship of God, Man and Nature, (Jakarta: Citra Publishers, 2012), p. 113

⁷ Murtadha Mutahhari, "Holistic Tafsir" Studies on the Relationship of God, Man and *Nature*, ..., pp. 113-114

necessities of life. This relationship is a means to create in humans a spirit of good will, and care for each other so that the affairs of this world can run smoothly.8

From the word of Allah and the interpretation of the surah above, it is clear that humans are created with different degrees, which is what makes everyone have various levels in a job, some are superiors and some are subordinates. Therefore there is a accumulation of wealth in a few circles, causing some people to be poor and some who are rich.

The wealth should not only circulate among the rich. Because wealth has been arranged by God for circulation, so that not everyone who is in a life of sufficiency and also not everyone who is in a life that is all lacking. Because if there is a accumulation of wealth in a few people, it will cause inequality in income distribution and this will also cause the level of welfare in the midst of society to be worse.

Therefore, Islamic shari'a obliges every Muslim who is able to pay zakat to Muslims who cannot afford it. This zakat is recommended because it can distribute income evenly and with this zakat the able Muslim group (muzaki) is obliged to distribute some of its property to the underprivileged Muslim group (mustahiq). According to Ridlo, zakat acts as a poverty reduction in people's lives and zakat according to Huda has the aim of equalizing the distribution of income in the community so that little by little it can mengurangi kesenjangan distribusi pendapatan.9

Indicators that can be used to determine inequality in income distribution are Indeks Atkinson.¹⁰ Where the Atkinson indicator can measure and evaluate social welfare or the level of social welfare from income distribution. The Atkinson Index can also be used to evaluate community development programs and empowerment carried out by various institutions, such as the government, zakat institutions and other non-government **NGOs** institutions. such as Governmental Organizations) and community empowerment groups. This evaluation is related to the condition of inequality or unequal distribution of income in the midst of society, whether these programs are able to reduce the level of income distribution gap that exists or even worsen the gap between the rich and poor groups.¹¹

Researchers chose the Atkinson Index as a measure of income distribution gaps because this Index emphasizes more on measuring income distribution gaps and the level of welfare of the population. So that using this measuring instrument can make it easier to see how the level of welfare of the population in the area studied.

II. METHODS

The research method used in this study is descriptive qualitative method. Namely research that is descriptive and tends to use analytical techniques and researches more things related to everyday life. This study aims to analyze income distribution inequality using the Atkinson index in Lasi sub-district, Canduang sub-district. The location used as the object of research by researchers is in Kenagarian Lasi, Canduang District, Agam Regency. The location of this study was chosen because the author saw the uneven level of income distribution inequality in Lasi district. This study started from April 2021 to January 2022. The research informants in this study are people in Lasi district, Canduang district, Agam regency with a population of 1868 households. Sampling 12 is done using the Accidental Sampling technique. Accidental Sampling technique is a sampling technique that does not provide equal opportunities or

⁸ Murtadha Mutahhari, "Holistic Tafsir" Studies on the Relationship of God, Man and *Nature*, ..., p. 114

⁹ Hendri Hermawan Adinugraha, dkk, Ekonomi Makro Islam, (Pekalongan:NEM, 2021), hlm 17-18

¹⁰ Irfan Syaugi Beik, dkk, *Ekonomi* Pembangunan Syariah, ..., hlm. 59

¹¹ Irfan Syauqi Beik, et al, Sharia Development Economics, ..., pp. 62-63

¹² Data on the Number of Population of Kenagarian Lasi in 2020

opportunities for every element or member of the population to be selected as a sample. This sampling technique is based on chance, that is, anyone who happens to meet the researcher can be used as a sample, if it is considered that the person who happened to meet is suitable as a source of data.13

III. RESULTS AND DISCUSSION

The Level of Social Welfare Loss caused by the Income Distribution Gap

The level of Social Welfare Loss is the degree of social loss caused by inequality and inequality in the distribution of income between groups of people. As a result of this social loss, it can cause people to live happily and there are also people whose lives suffer. As a result of this degree of social loss, it can cause acts of social discrimination and even prone to crime among the community.

Table 1. Social Welfare Loss caused by Income Distribution Gap Before and After Receiving Zakat

Keterangan	Social Welfare Loss (derajat kerugian sosial)	
	Sebelum Zakat	Setelah Zakat
Pendapatan		
masyarakat miskin	Rp. 133.822,35	Rp.217.344,88

Source: Primary Data processed in 2021¹⁴

From table 4.3 above, it can be seen that the level of Social Welfare Loss or the degree of social loss caused by the income distribution gap before receiving zakat is Rp. 133,822.35. This difference is the value of income loss or loss of income of the community. The existence of this difference makes the level of social welfare enjoyed by each member of society different. There are people who live

¹³ I Wayan Lanang Nala, et al, *Tourism* Market Mapping Kutai Kartanegara Regency, (Malang: Literasi Nusantara, 2021), p. 20

¹⁴ Primary Data was processed in 2021 based on interview results (17 - 27 December 2021)

happily and there are also people whose lives suffer.

Based on the results of research that has been conducted, it can be seen that the degree of social loss caused by the income distribution gap after zakat is Rp.217,344.88. The level of Social Welfare Loss or the degree of social loss incurred after receiving zakat increased by Rp. 83,522.53.

With the increasing level of Social Welfare Loss or the degree of social loss caused by the income distribution gap after receiving zakat, this proves that the distribution of zakat in the midst of the Kenagarian Lasi community has not been right on target, where people who should not get zakat assistance get assistance, thus causing the level of Social Welfare Loss or the degree of existing social disadvantage increases. And this causes more misery in the lives of existing people because of the uneven distribution of zakat assistance they receive.

Because the zakat distribution program is not right on target, it results in an increase in the level of misery felt by the community, which will have an impact on the decline in the level of community welfare and this will also have an impact on the decline in the quality of education and the quality of public health. So this will trigger an increase in unemployment in the midst of society.

IV. CONCLUSION

Based on the data analysis that has been done, the results of the analysis using the Atkinson Index are obtained. By analyzing using this Atkinson Index, it can be concluded as a whole from this study is as follows: The level of Social Welfare Loss or the degree of social loss caused by inequality and uneven distribution of income in Kenagarian Lasi, Canduang District, Agam Regency before zakat was Rp. 133,822.35 and after zakat became Rp. 217,344.88 or increased the level ofSocial Welfare Loss amounted to Rp. 83,522.53.

This states that zakat can increase the level of social disadvantage, so that more and more people have more difficult lives. This increase in social welfare loss occurs because it is not right on target in the zakat distribution stage in Kenagarian Lasi, causing the level of social welfare loss to increase and also making people's lives more difficult because it is not right on target in distributing zakat."

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