

## ANALYSIS OF REGIONAL INEQUALITY IN SOUTHEAST SULAWESI

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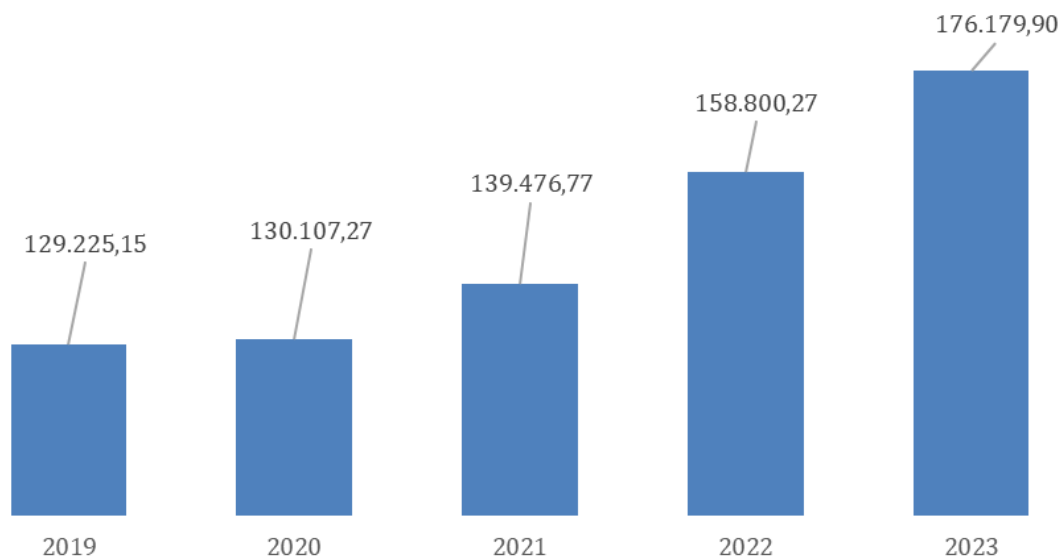
<p><b>Info Article</b></p> <p>Received : 10 April 2025</p> <p>Revised : 03 Mei 2025</p> <p>Accepted : 01 Juni 2025</p> <p>Publication : 30 Juni 2025</p> <hr/> <p><b>Keywords:</b> Regional Inequality, Williamson Index, Inclusive Growth</p> <p><b>Kata Kunci:</b> Ketimpangan Wilayah, Indeks Williamson, Pertumbuhan Inklusif</p> <hr/> <p><i>Licensed Under a Creative Commons Attribution 4.0 International License</i></p> 	<p><b>Abstract:</b> <i>This study analyzes regional development inequality in Southeast Sulawesi Province with a focus on inter-regional disparities. Using a descriptive quantitative approach, this study applied the Williamson Index and analyzed GRDP per capita data for the 2019-2023 period from the Central Bureau of Statistics. The results revealed significant inequality between urban and rural areas, with rural areas lagging behind in infrastructure access and economic opportunities. The findings suggest that the COVID-19 pandemic has deepened the development gap. Based on the analysis, this study recommends the need for integrated policies that include strengthening infrastructure, diversifying the economy, as well as implementing development programs that are sensitive to local needs. This study makes an important contribution to stakeholders in formulating more effective regional gap reduction strategies in Southeast Sulawesi. Policy recommendations focus on evidence-based approaches to achieve more inclusive and equitable development.</i></p> <p><b>Abstrak:</b> Penelitian ini menganalisis ketimpangan pembangunan regional di Provinsi Sulawesi Tenggara dengan fokus pada kesenjangan antardaerah. Menggunakan pendekatan kuantitatif deskriptif, studi ini menerapkan Indeks Williamson dan menganalisis data PDRB per kapita periode 2019-2023 dari Badan Pusat Statistik. Hasil penelitian mengungkapkan ketimpangan signifikan antara wilayah perkotaan dan pedesaan, di mana daerah pedesaan mengalami keterbelakangan dalam akses infrastruktur dan peluang ekonomi. Temuan menunjukkan bahwa pandemi COVID-19 telah memperdalam kesenjangan pembangunan tersebut. Berdasarkan analisis, penelitian ini merekomendasikan perlunya kebijakan terpadu yang meliputi penguatan infrastruktur, diversifikasi ekonomi, serta implementasi program pembangunan yang sensitif terhadap kebutuhan lokal. Studi ini memberikan kontribusi penting bagi pemangku kepentingan dalam merumuskan strategi pengurangan kesenjangan regional yang lebih efektif di Sulawesi Tenggara. Rekomendasi kebijakan difokuskan pada pendekatan berbasis bukti untuk mencapai pembangunan yang lebih inklusif dan berkeadilan..</p>
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## INTRODUCTION

Economic growth is a fundamental goal for all governments, particularly for emerging countries such as Indonesia. (Rahman & Munawar, 2018) It is key to the success of economic development, where rapid economic growth and equitable distribution of development outcomes are the main objectives in implementing development (Anwar et al., 2023)

Regional inequality remains a critical concern in development economics, particularly in emerging economies like Indonesia, where inequalities in growth continue to shape inter-regional development patterns. This tendency corresponds with overarching developmental issues in emerging nations, where economic expansion frequently does not result in equitable enhancements in welfare. Empirical evidence, including measures from Gini coefficients and the Williamson index, substantiates the extent of these inequities (Saenong & Nur, 2018). Addressing these inequalities requires targeted policy interventions that promote inclusive growth, ensuring that all regions can benefit from economic progress.

Despite continuous economic development in the area, the benefits have not been fairly distributed, resulting in continued regional variations in well-being. Emphasizing the crucial need for targeted policies to close regional inequalities and promote equitable growth across Southeast Sulawesi, it is evident that economic advantages have not been distributed relatively.



Source: Southeast Sulawesi Provincial Statistics Agency (BPS)

**Figure 1. Gross Regional Domestic Product Southeast Sulawesi**

From 2019 to 2023, Southeast Sulawesi Province's Gross Regional Domestic Product (GRDP) continues to increase, indicating that economic development in the

province is going well. Even when Indonesia's economic growth slowed in 2020 due to COVID-19. However, significant inequalities occurred in various regions, indicating that this growth has not resulted in equitable development. Although there has been an increase in GRDP in general, the benefits are mostly only felt by more densely populated areas, excluding rural and peripheral areas. Various structural elements help explain the inequality in the distribution of resources, sectoral inequality that prioritizes the extractive industry over agriculture, limited infrastructure that limits connectivity in remote areas, and inequality in the distribution of investment that prioritizes established economic centers.

**Table 1. Gross Regional Domestic Product Districts/Cities of Southeast Sulawesi**

Districts/ Cities	2019	2020	2021	2022	2023
Buton	3.838,52	3.816,73	4.036,29	4.591,95	5.062,66
Muna	6.928,62	6.983,65	7.365,51	8.261,39	8.813,69
Konawe	9.514,36	10.362,23	11.542,29	14.269,55	18.295,41
Kolaka	25.891,41	25.622,95	27.532,65	31.397,20	35.684,21
Konawe Selatan	12.105,05	11.823,22	12.654,68	14.536,50	16.452,47
Bombana	6.385,42	6.559,65	6.913,33	7.780,30	8.557,37
Wakatobi	4.355,85	4.429,27	4.708,75	5.240,83	5.768,10
Kolaka Utara	8.674,22	8.835,24	9.186,74	10.096,00	11.226,94
Buton Utara	3.130,90	3.211,19	3.420,72	3.801,58	4.049,26
Konawe Utara	3.926,03	3.966,23	4.262,56	4.799,25	5.259,79
Kolaka Timur	4.427,15	4.496,34	4.834,05	5.273,68	5.625,40
Konawe Kepulauan	1.384,40	1.398,58	1.467,82	1.579,45	1.717,40
Muna Barat	2.589,01	2.618,03	2.789,51	3.070,00	3.386,99
Buton Tengah	2.337,24	2.428,67	2.536,10	2.794,15	3.025,96
Buton Selatan	2.905,03	2.874,73	2.993,97	3.314,10	3.593,17
Kota Kendari	22.153,51	22.045,70	23.691,31	26.455,95	28.260,10
Kota Baubau	9.037,83	9.075,85	9.627,57	10.711,39	11.521,84

Source: Southeast Sulawesi Provincial Statistics Agency (BPS)

Income growth varies among locations; some areas slow down. Two possible reasons for this disparity are inadequate infrastructure development and unequal access to financial resources sustaining GDRP increase. This inequality highlights Southeast Sulawesi Province's continuous challenges in implementing equitable economic development. Equitable infrastructure development could serve as a potential solution to bridge these regional gaps (Pende & Ali, 2023). This inequality draws attention to Southeast Sulawesi Province's ongoing difficulties in promoting fair economic development. Ignorance of this distinction could make it challenging to reduce poverty, worsen regional unfairness, and slow down overall economic development.

Supporting this view, Awalia et al., 2024, found that provinces in Eastern Indonesia—such as Papua, Central Sulawesi, and West Nusa Tenggara exhibited high

levels of regional inequality between 2017 and 2021. Their study identified foreign direct investment (FDI) as a significant contributor to inequality, while information and communication technology (ICT) showed no significant impact. This pattern confirms Perroux's (1950) theory of economic growth poles, where development tends to cluster in regions with localized advantages, exacerbating interregional disparities. Similarly, Widjaja & Tikson, 2021 observed high inequality levels in South Sulawesi, driven by the economic dominance of Makassar City. Their analysis using the Williamson Index revealed that when Makassar was excluded, the inequality level decreased significantly, illustrating the impact of concentrated economic activities on regional imbalances. Therefore, targeted policies to enhance infrastructure and promote equitable resource distribution are essential to mitigate these disparities and foster balanced regional development.

The degree of regional variations in Southeast Sulawesi Province is examined in this paper. The result offers an empirical basis and advances a fairer economic development route all around different areas. This study will improve knowledge of regional inequities and offer legislators doable plans to support fair economic development in Southeast Sulawesi and also suggest sensible policy changes to lower regional inequalities and foster general development.

## **METHOD**

This study methodically examines regional economic differences in Southeast Sulawesi using a quantitative descriptive approach. It uses secondary data obtained from the Southeast Sulawesi Provincial Statistics Agency (BPS), guaranteeing dependability through agency adherence to uniform data-collecting standards. This approach helps to provide an objective and factual study of regional economic patterns and inequality.

The dataset comprises constant-price gross regional domestic product (GRDP) statistics for every area and city in Southeast Sulawesi Province from 2019 to 2023. This five-year timeframe helps to assess regional inequalities and economic development patterns properly. This study uses economic performance variances among administrative areas to examine development differences.

The Williamson Index is the primary tool used in analysis since it is a known indicator of interregional disparity. This index provides an understanding of developmental differences by measuring the variations in economic activity among different areas. Geographical and sectoral analyses in the study help to find structural causes of inequality and spatial trends. Across urban and rural areas, the study examines

employment rates and sectoral contributions—agriculture, industry, and services—to find localized differences that more general measurements might overlook.

Applying the Williamson Index with thorough sectoral and spatial analysis aligns with present regional economic research (Romadhon, 2024). This approach provides a comprehensive knowledge of the economic environment in Southeast Sulawesi by capturing macro-level inequities and micro-level fluctuations. Combining these approaches results in practical information for focused policy measures to lower regional inequalities. Below is the formula for the Williamson Index:

$$IW = \sqrt{\frac{\sum(Y_i - \bar{Y})^2 - Fi/n}{Y}}$$

IW	= Index Williamson
Y <sub>i</sub>	= GRDP per capita regency - i
$\bar{Y}$	= GRDP per capita on average for all regions
F <sub>i</sub>	= Population of area i
n	= Total Population of the entire area

The Williamson inequality index ranges from 0 (zero) to 1 (one). If the Williamson inequality approaches 0, it indicates that regional development inequality is low or that economic growth across regions is evenly distributed. If the Williamson inequality approaches 1, it suggests that regional development inequality is high or that economic growth across regions is uneven. (Anwar et al., 2023)

## RESULTS AND DISCUSSION

Southeast Sulawesi is one of the provinces in Indonesia located in the southeastern part of Sulawesi Island, with the capital city of Kendari as the center of government and economy. This province is known for its abundant natural wealth, encompassing the agriculture, fisheries, mining sectors, and tourism. Several areas, such as Kolaka, Konawe, and Wakatobi, are the backbone of the region's economy. Geographically, South Sulawesi is bordered by South and Central Sulawesi to the north, the Banda Sea to the east, the Flores Sea to the south, and Bone Bay to the west.

Southeast Sulawesi's economic growth from 2019 to 2023 fluctuates due to the influence of various external and internal factors. According to data from the Southeast Sulawesi Provincial Statistics Agency (BPS), the province's economic growth declined in 2020 due to the COVID-19 pandemic and gradually recovered in the following years. However, it has not been completely stable.

This pattern underscores Southeast Sulawesi's dual vulnerability to global economic disruptions and domestic structural weaknesses. The COVID-19 pandemic exposed these fragilities, as initial shocks severely impacted critical sectors such as trade, tourism, and commodity exports, while subsequent recovery efforts revealed stark disparities in regional resilience. Some industries—notably mining and urban services rebounded relatively quickly due to external demand and government stimulus, while others, like small-scale agriculture and rural informal sectors, faced prolonged stagnation. These uneven recovery trajectories highlight how the province's economy remains highly dependent on external market conditions while being constrained by internal imbalances, including infrastructure deficits, limited economic diversification, and unequal access to resources.

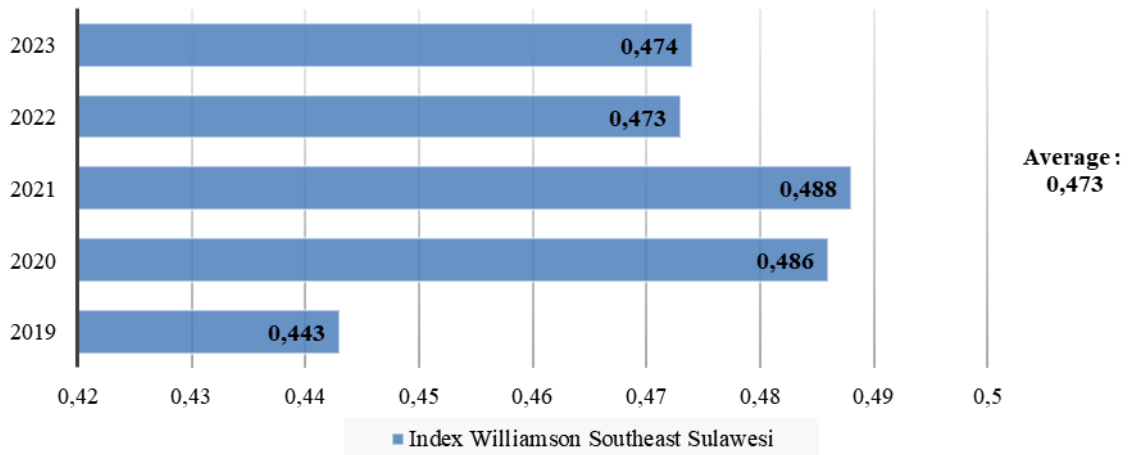
Moving forward, Southeast Sulawesi must adopt a more proactive approach to economic resilience. This includes diversifying its economic base beyond extractive industries, strengthening local supply chains to reduce dependency on volatile global markets, and investing in adaptive infrastructure that can withstand future disruptions. Additionally, targeted policies should prioritize inclusive growth mechanisms—such as equitable fiscal transfers, rural industrialization programs, and skills development initiatives—to ensure that economic stability is not concentrated in urban centers but extends to underserved regions. By addressing both external vulnerabilities and internal disparities, the province can build a more robust and balanced economy capable of sustaining long-term development amid an uncertain global landscape.



Source : Southeast Sulawesi Provincial Statistics Agency (BPS)

**Figure 2. Economic Growth of Southeast Sulawesi**

An analytical study using the Williamson Index helped one better grasp the developmental disparity in Southeast Sulawesi. Incorporating ideas of per capita Gross Regional Domestic Product (GRDP) and population distribution, this index measures the degree of income discrepancy between areas.



Source: Processed data

**Figure 3. Index Williamson South East Sulawesi**

Based on the Williamson Index analysis, Southeast Sulawesi (Sultra) experienced moderate development inequality between districts/cities, with an average score of 0.473 in 2019–2023. This figure shows that although it is not included in high inequality, development disparities between regions still need serious attention. The inequality trend over the past five years has also shown a fluctuating pattern, indicating economic dynamics that affect this province's development distribution.

With a value of 0.443 in 2019, the Southeast Sulawesi Williamson Index indicates moderate regional inequalities. However, it surged particularly to 0.486 in 2020, highlighting an alarming increase in interregional inequalities. This notable rise reveals how the COVID-19 outbreak intensified structural inequalities already present in the framework of province development. Rural areas most dependent on agriculture, fishing, and the unofficial sectors were especially and unevenly affected by the economic shock. Urban areas with varied economies and better access to infrastructure and stimulus programs show more resilience. Three main structural elements aggravated this divergence; first, this unequal distribution of transportation and digital infrastructure produced evident recovery inequalities between well-connected and remote areas. Second, the concentration of economic activities in urban hubs and extractive industries led to uneven development benefits. Third, fiscal decentralization policies failed to address the particular needs of lagging regions adequately. Measuring the Williamson Index, this increasing interregional inequality emphasizes the urgent need for focused

spatial development strategies that support balanced growth through better rural infrastructure, economic diversification in peripheral areas, and more efficient fiscal equalizing mechanisms to lower development gaps across Southeast Sulawesi's region.

The economic growth of Southeast Sulawesi in 2020 was under quite intense pressure, the impact of the global economic slowdown due to the Covid-19 pandemic and the Large-Scale Social Restrictions (PSBB) policy to mitigate the spread of Covid-19, especially because Southeast Sulawesi at that time was ranked 19th as the province with the most confirmed cases of COVID-19 in Indonesia. Large-scale social restrictions and several online activities, including education and other economic activities, have slowed down public consumption. The decline in population income can be seen from Southeast Sulawesi's economic growth, which contracted by 0.65 percent in 2020, thus affecting people's purchasing power and exacerbating existing inequality.

In 2021, inequality in Southeast Sulawesi experienced a slight increase, reaching 0.488, despite the province's economic recovery from the COVID-19 pandemic. This recovery was reflected in Southeast Sulawesi's economic growth rate of 4.10 percent compared to 2020 (BPS Sultra). However, the persistence of rising inequality suggests that economic growth alone was insufficient to address structural disparities in development.

The government's National Economic Recovery Program (PEN) played a crucial role in mitigating the pandemic's impact, particularly through social protection programs targeting the poor and vulnerable. These initiatives helped boost purchasing power and provided essential support to affected households. Nevertheless, the benefits of economic recovery were not evenly distributed, indicating that specific sectors and communities lagged in accessing opportunities.

This situation highlights the complexity of reducing inequality, as short-term economic growth does not automatically translate into equitable development. Structural factors, such as uneven access to education, employment, and infrastructure, continued to hinder progress in narrowing the gap. As a result, while the economy showed signs of recovery, sustained and targeted efforts were and remain necessary to ensure that growth translates into broader prosperity and reduced inequality in Southeast Sulawesi.

In 2022, Southeast Sulawesi's inequality decreased to 0.473, supported by the province's economy, which experienced growth of 5.53 percent—indicating an improvement in the distribution of development. This positive trend was driven by favorable global economic conditions, which were expected to continue the recovery

trend in 2022, along with the normalization of community and business mobility following the COVID-19 pandemic. Additionally, expansive fiscal policies implemented by the government played a significant role in stimulating economic activity. Indications of economic improvement in 2022 were reflected in several key indicators. Consumer confidence and business sentiment showed sustained growth, suggesting increased economic optimism. The trade, investment, and industrial production recovery further reinforced this upward trend. Moreover, the labor market exhibited stabilization, with rising employment rates and improved income levels contributing to reduced inequality. The combination of external economic recovery and domestic policy support created a conducive environment for inclusive growth in Southeast Sulawesi. As a result, the benefits of economic expansion were more evenly distributed across different segments of society, leading to a measurable decline in inequality and fostering sustainable development in the region.

However, the positive trend of declining inequality was interrupted in 2023 when Southeast Sulawesi's Williamson Index experienced a concerning reversal, rising slightly to 0.474. This resurgence of inequality coincided with the province's economic slowdown, with growth decelerating to 5.35 percent from the previous year's stronger performance. The simultaneous occurrence of these two trends reveals a critical vulnerability in the province's development model that progress toward equitable distribution remains fragile and highly susceptible to macroeconomic fluctuations.

The recent regression in regional equality indicators suggests that Southeast Sulawesi's previous improvements in inequality metrics may have been predominantly cyclical rather than structural. This pattern reveals a fundamental vulnerability in the province's development paradigm, wherein economic contractions disproportionately concentrate benefits in already-advantaged regions and sectors, while marginalized areas such as Central Buton Regency experience accelerated relative decline. The province's pronounced dependence on commodity-driven growth, particularly from extractive industries and agricultural primary products, renders its inequality dynamics acutely susceptible to exogenous price volatility and demand fluctuations in global markets.

To establish more resilient and inclusive economic growth pathways, provincial policymakers must prioritize structural reforms capable of sustaining equality gains across economic cycles. This necessitates a multifaceted approach encompassing (1) targeted human capital development initiatives in lagging regions, (2) strategic investments in regional connectivity infrastructure, and (3) deliberate economic

diversification beyond primary resource extraction. Furthermore, enhancing fiscal equalization mechanisms is imperative to safeguard essential service provision in disadvantaged regions during periods of economic deceleration. Absent such institutionalized safeguards against inequality exacerbation, Southeast Sulawesi risks perpetuating a developmental pattern wherein economic advancement disproportionately accrues to specific regions while others experience systematic marginalization during growth contractions.

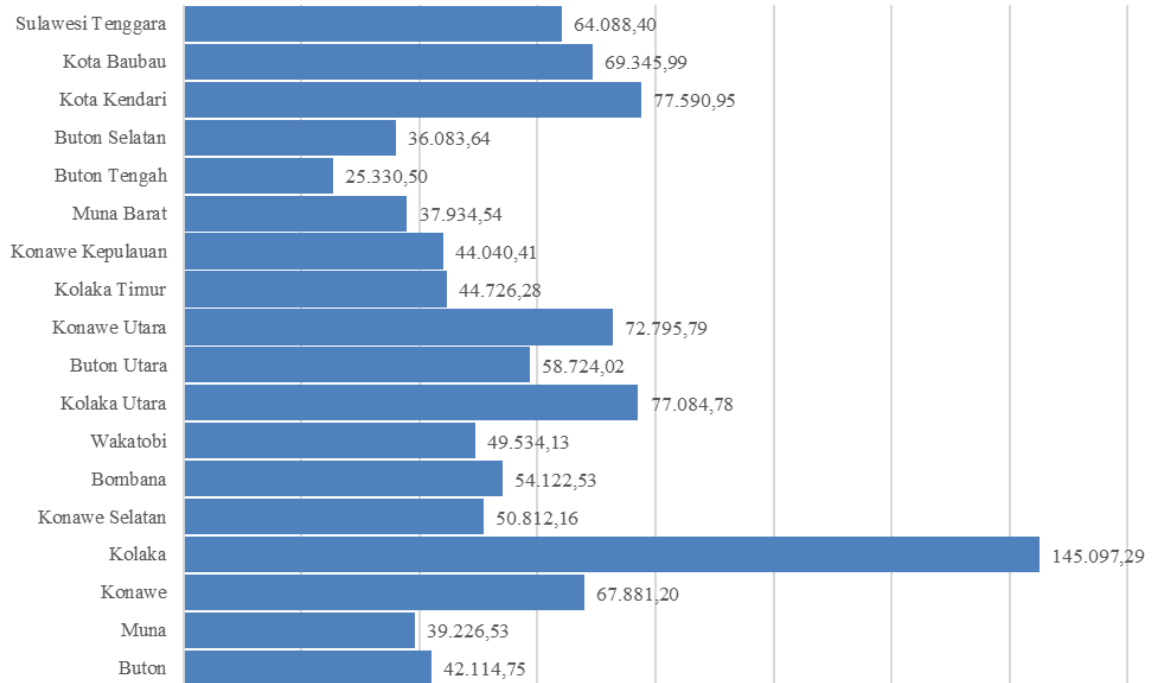
This juncture presents a critical opportunity for transformative policy intervention. The province can establish more equitable development trajectories through comprehensive, evidence-based approaches addressing the structural determinants of regional inequality. While the implementation horizon may extend across multiple political cycles, the potential dividends including enhanced economic resilience, reduced spatial disparities, and improved welfare outcomes across all regions render this policy orientation necessary and urgent for Southeast Sulawesi's sustainable development.

The imperative for immediate, coordinated action is clear. Southeast Sulawesi can transcend its current cyclical inequality patterns through meticulous planning, sustained political commitment, and meaningful stakeholder engagement. If mobilized through equitable governance frameworks and sustainable development strategies, the province's abundant natural and human resources provide the essential foundations for constructing a more balanced economic future. The policy crossroads presents a fundamental choice between perpetuating historical patterns of uneven development or pioneering an innovative, inclusive growth model. This decision will ultimately determine whether Southeast Sulawesi's development narrative becomes characterized by progressive convergence or persistent spatial disparities.

The figure 4 shows the income differences among the several Southeast Sulawesi areas, using the per capita income values. Variations in per capita income across different areas indicate economic disparity the local government must solve to encourage fair development.

The significant inequalities in welfare levels between Kolaka Regency (145,097.29 million) and Kendari City (77,590.95 million) reveal deep-rooted economic imbalances across Southeast Sulawesi. These inequalities stem from uneven access to natural resources and infrastructure development, which create vastly different economic opportunities across the region. Kolaka's economic advantage comes from its rich agricultural base, including high-value plantation crops like pepper, cloves, and cocoa,

combined with emerging tourism services. In contrast, while Kendari City benefits from superior infrastructure as the provincial capital including critical transport hubs and better education/health services - its economic output remains substantially lower than resource-rich Kolaka.



Source: Southeast Sulawesi Provincial Statistics Agency (BPS)

**Figure 4. GRDP Per Capita Southeast Sulawesi 2023**

This situation highlights a troubling paradox: Regions with strong human development indicators (like Kendari) generate less economic value than resource-endowed areas. In contrast, resource-rich regions may lack comparable social infrastructure. The current development pattern reinforces spatial inequalities, where geography and natural resource distribution disproportionately determine economic outcomes. To address these structural inequalities, policymakers need a dual approach: first, ensuring resource-rich areas like Kolaka invest more in human capital and inclusive growth, and second, helping urban centers like Kendari better capitalize on their infrastructure and human resource advantages. Southeast Sulawesi can only reduce its persistent interregional inequalities and create more equitable growth opportunities across all districts and cities through such balanced regional development strategies.

The extreme inequality in economic outcomes across Southeast Sulawesi becomes even more apparent when comparing Central Buton Regency's mere 25,330.50 million—the province's lowest per capita income in 2023 to Kolaka's thriving economy. This staggering 5.7-fold difference between the highest and lowest-performing regions underscores systemic development failures perpetuating spatial inequalities. In Central

Buton, the combination of low economic output and a rising poverty rate creates a vicious cycle: limited education resources constrain workforce skills. At the same time, scarce employment opportunities trap communities in subsistence livelihoods. This inequality of opportunity manifests in multiple dimensions from poorer health outcomes to lower school enrollment rates compared to more developed regions like Kolaka or Kendari.

Breaking this cycle requires targeted, multidimensional interventions. The local government must implement a comprehensive inequality reduction strategy beyond conventional poverty alleviation programs. First, infrastructure development should prioritize connecting Central Buton to regional markets through road networks and digital connectivity. Second, education initiatives must align with local economic potential, perhaps focusing on maritime skills or agro-processing, given the regency's coastal geography. Third, economic stimulus should support value-added production in key sectors like fisheries or agriculture to create better-paying jobs. Crucially, these interventions must be designed to address the inequality traps that keep peripheral regions like Central Buton underdeveloped, ensuring they do not merely replicate development approaches used in more advanced areas but tackle Central Buton's unique structural constraints.

Without such focused inequality reduction measures, Southeast Sulawesi risks entrenching a permanent economic hierarchy among its regions, where birthplace continues to determine life chances decades into the future. The province's development success should be measured by overall growth figures and how quickly it can elevate its lowest-performing regions to parity with the more prosperous ones.

Good development management and planning will turn the area into a strategic economic one. As the map of Southeast Sulawesi Province shows, the situation of natural resources causes differences in particular sectors. These differences cause increased urbanization, unequal development, poverty, unemployment, imbalances in human resources, unfair technology use, and inadequate accessibility.

If the local government of Southeast Sulawesi Province is to solve the economic disparity there, it must implement initiatives focused on overall development. The government must interact with several stakeholders to create inclusive and sustainable policies to reduce inequality in Southeast Sulawesi. Policies on inclusive and sustainable development in Southeast Sulawesi must consider active community involvement and every area's particular needs and possibilities. Community participation in development

planning and administration is crucial for ensuring policies meet local needs and support more fair development.

Moreover, fixing the economic gap in Southeast Sulawesi calls for stressing local businesses and encouraging innovation. Particularly in underdeveloped areas like the Central Buton Regency, encouraging small and medium businesses (SMEs) can help boost job creation and economic diversification. The government can use training courses and financial support to help local businesses maximize their unique resources and capabilities, reducing reliance on traditional sectors lacking sustainable, long-term development.

Improving digital platforms and technology access helps close the gap between urban and rural economies, facilitating market access for regional goods and services. These projects highlight the need for careful planning and management strategies in developmental activities since they align with the general sustainable development goals and can significantly improve the province's economic resilience.

Moreover, encouraging economic development in Southeast Sulawesi depends on improved regional connectivity achieved through infrastructure development. Improved transportation systems can help trade between urban and rural areas, reducing economic disparities. Using better roads and public transportation, farmers in rural areas can reach larger markets for their agricultural products, significantly increasing their economic potential.

The government should consider working with the corporate sector to improve supply chain efficiency and logistics. This would help local businesses draw outside investment via a more integrated economy. These projects might lead to a fairer distribution of riches and resources around the province, strengthening a stronger economic framework able to withstand future challenges.

## **CONCLUSION**

The economic landscape of Southeast Sulawesi Province illustrates the complexities of regional inequality in emerging economies. While aggregate growth was observed from 2019 to 2023, persistent disparities in Gross Regional Domestic Product (GRDP) across districts and cities reveal structural imbalances in development outcomes. The Williamson Index's fluctuations, including its regression to 0.474 in 2023, demonstrate the moderate baseline inequality and the province's vulnerability to exogenous shocks, as evidenced by the pandemic's disproportionate impact on marginalized regions.

These findings substantiate three critical policy imperatives: First, targeted infrastructure investments must prioritize reducing connectivity gaps that perpetuate spatial inequalities. Second, fiscal mechanisms require reform to ensure equitable resource distribution during economic contractions. Third, economic diversification programs should support value-added activities in lagging regions to break commodity dependence.

The study's empirical analysis provides policymakers with evidence to design interventions that address inequality's structural roots rather than its symptoms. Southeast Sulawesi can transition toward balanced development by institutionalizing equitable growth strategies through enhanced human capital development, regional industrial policies, and shock-responsive social protection. Such an approach would improve welfare outcomes across all regions and strengthen provincial economic resilience against future crises. Ultimately, these measures could transform the province's development paradigm from uneven growth to sustainable convergence, serving as a potential model for other resource-dependent regions in emerging economies.

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