

Date: 09 April 2025

Invitation

Head of the Agribusiness Study Programme
Universitas Trilogi
Jakarta, Indonesia

Dear Dr. Arman,

I am pleased to formally invite you or any of your representative(s) to participate in the upcoming Focus Group Discussion (FGD) organized by Universitas Trilogi, with the topic:

“Measuring Income Inequality for ASEAN Region”

This activity is part of a research initiative aimed at exploring more comprehensive approaches to measuring income inequality within the ASEAN context. The discussion will also consider more contextually relevant indicators beyond the Gini coefficient.

I highly value your insights as a discussant, particularly given your academic expertise and experience in socio-economic research. Your contribution will be instrumental in enriching the dialogue and enhancing the research outcomes with theoretical depth and practical relevance. The details of the event are as follows:

Date : Tuesday, April 22, 2025

Time : 13:00 WIB onwards

Venue : Universitas Trilogi, Jl. TMP Kalibata No. 1, South Jakarta

Mode : Offline (Onsite Attendance)

For your reference, we have attached the event proposal and a list of discussion questions that will guide the session.

For further information or confirmation, please feel free to contact: Dr. Zaheer Anwer (zaheerm@sunway.edu.my) or Rizka Ramayanti, PhD (rizka.ramayanti@trilogi.ac.id, +628121070939). Thank you very much for your attention and anticipated participation. We look forward to your positive response.

Warm regards,

Dr. Zaheer Anwer

Associate Professor and Deputy Dean (Internationalisation), Sunway Business School,
Sunway University, Malaysia

SURAT TUGAS
No. 18/LPPM/TUG/IV/2025

Kepala Lembaga Penelitian dan Pengabdian kepada Masyarakat (LPPM) memberikan tugas kepada:

No	Nama	NIDN	Prodi
1	Dr. Aam Bastaman, SE., M.Si.	0323026301	Magister Manajemen
2	Dr. Arman, SP., M.Si.	0323047906	Agribisnis
3	Dr. Dina Nurul Fitria, S.E.,M.T.	0309097406	Agribisnis
4	Dr. Mangasi Panjaitan, M.E.	0315126301	Ekonomi Pembangunan

Untuk menjadi Narasumber pada kegiatan FGD yang diselenggarakan oleh Universitas Trilogi dengan Sunway University, Malaysia sebagai berikut:

Judul/Kegiatan : *Focus Group Discussion (FGD) dengan topik: "Measuring Income Inequality for ASEAN Region"*
Hari, Tanggal : Selasa, 22 April 2025
Tempat : Universitas Trilogi

Dengan ruang lingkup membuat laporan akhir dari kegiatan tersebut.

Demikian surat tugas ini kami sampaikan, untuk dilaksanakan dengan sebaik-baiknya dan penuh tanggung jawab.

Jakarta, 21 April 2025



Dr. Ahmad Rifqi Fauzi, S.P., M.Si.
Kepala LPPM Universitas Trilogi

Tembusan Yth.

- Wakil Rektor
- Kabiro. SDM

Limitations of the Gini Coefficient

By
Dr. Arman

Head of Agribusiness Program



Limitations of the Gini Coefficient

1

Limitations of the Gini Coefficient

2

Effect of informal economic and Underreporting to accurate disparity

3

Add indicator to Complete Gini Coefficient.

4

Need method to estimate disparity



Labour Force Participation Rate in ASEAN, 2013-2022

Percent

Country	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022
Brunei Darussalam	-	65.6	-	-	62.7	65.4	64.3	65.5	63.8	62.7
Cambodia	83.0	82.6	82.7	62.5	84.3	-	87.4	-	83.7	83.7
Indonesia	66.8	66.6	65.8	66.3	66.7	67.3	67.5	67.8	67.8	68.6
Lao PDR	-	-	68.0	-	40.8	-	-	-	-	47.1
Malaysia	67.3	67.6	67.9	67.7	68.0	68.3	68.7	68.4	68.6	69.3
Myanmar	66.9	67.0	64.7	-	61.2	61.5	59.4	-	-	-
Philippines	63.9	64.4	63.6	63.5	61.2	60.9	61.3	59.5	63.3	64.7
Singapore¹⁾	66.7	67.0	68.3	68.0	67.7	67.7	68.0	68.1	70.5	70.0
Thailand	71.1	70.3	69.8	68.8	68.1	68.3	67.5	67.8	67.8	68.1
Viet Nam	77.6	77.5	77.8	77.3	76.7	76.8	76.8	74.4	67.8	68.5



Source:
ASEAN Secretariat

Proportion of Employment in ASEAN by Economic Activity

Country	Year	Agriculture , Fishery & Forestry	Manufacturing	Construction	Wholesales & Retail Trade, Restaurants, & Hotels	Transportation, Storage, Information and Communication	Finance, Insurance, Real Estate and Business Services	Public Services	Others (Mining & Quarrying, Electricity, Gas & Water, Unknown)
Brunei Darussalam	2022	1.5	6.5	8.9	22.8	5.2	10.7	32.2	12.1
Cambodia	2019	33.1	16.7	10.0	20.2	5.0	2.5	5.9	6.7
Indonesia	2022	28.6	14.2	6.3	26.5	5.0	3.2	10.1	6.2
Lao PDR	2022	57.5	4.7	4.9	14.3	2.6	4.0	8.9	3.2
Malaysia	2022	10.0	16.8	7.6	29.1	6.2	11.1	14.9	4.3
Myanmar	2019	48.9	10.4	5.6	20.0	5.8	2.1	3.3	3.9
Philippines	2022	23.1	8.0	9.3	26.0	8.0	7.3	10.6	7.7
Singapore ¹⁾	2022	-	9.6	4.2	20.4	14.5	26.1	24.4	0.9
Thailand	2022	30.4	16.0	5.6	24.6	4.3	4.9	9.6	4.6
Viet Nam	2022	27.5	23.3	9.2	20.9	4.4	1.7	8.9	4.2

Unemployment Rate of 15-24 Years Old and Over in ASEAN, 2013-2022

Country	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022
Brunei Darussalam	-	25.3	-	-	28.9	29.9	21.3	25.8	16.3	18.0
Cambodia	0.2	0.2	0.1	-	-	-	1.1	-	-	-
Indonesia	21.6	22.2	22.6	19.4	20.4	19.7	18.6	20.5	19.6	20.6
Lao PDR	-	-	-	-	18.2	-	-	-	-	5.2
Malaysia	9.8	9.5	10.7	10.5	10.8	10.9	10.5	12.0	11.3	11.7
Myanmar	-	9.3	1.6	-	4.0	2.0	1.4	-	-	-
Philippines	16.1	15.7	14.9	7.6	14.4	13.4	13.7	21.5	15.7	12.1
Singapore ¹⁾	6.7	6.4	6.7	6.5	7.0	6.6	7.7	10.6	7.3	5.9
Thailand	3.5	4.3	4.2	4.9	5.9	5.3	5.3	7.3	8.2	6.6
Viet Nam	6.2	6.2	7.0	7.4	7.5	6.9	6.5	7.2	8.6	7.8

Source:
ASEAN Secretariat

Gini Coefficient in ASEAN, 2013-2022

Country	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022
Brunei Darussalam	-	-	-	-	-	-	-	-	-	-
Cambodia	0.270	0.300	0.300	0.280	0.290	-	-	-	-	-
Indonesia	0.413	0.406	0.408	0.397	0.393	0.389	0.380	0.381	0.384	0.384
Lao PDR	0.362	-	-	-	-	-	-	-	-	-
Malaysia	-	0.401	-	0.399	-	-	0.407	0.411	-	0.404
Myanmar	-	-	0.350	-	0.300	-	-	-	-	-
Philippines	-	-	0.444	-	-	0.427	-	-	0.441	-
Singapore	0.463	0.464	0.463	0.458	0.459	0.458	0.452	0.452	0.444	0.437
Thailand	0.465	-	0.445	-	0.453	-	0.430	-	0.430	-
Viet Nam	-	0.430	-	0.431	-	0.424	0.423	0.375	0.374	0.375

Source:
ASEAN Secretariat

Keterbatasan Koefisien Gini

Koefisien Gini mengukur ketimpangan distribusi pendapatan atau kekayaan dalam suatu negara. Indikator menggambarkan aspek sosial dan ekonomi, hubungannya dengan bank sentral—yaitu stabilitas harga, stabilitas sistem keuangan, dan pertumbuhan ekonomi berkelanjutan—bersifat **tidak langsung**

- "However, extreme inequality can undermine economic and social stability, affecting inflation, consumption, and the effectiveness of monetary policy."
- "For example, in the presence of high inequality, the transmission of interest rate policy may have uneven effects, as low-income groups have limited access to credit and investment."

Limitations of the Gini Coefficient in Information for Monetary Policy or Financial Regulation:

Less contextual to monetary policy: Central banks focus more on indicators such as inflation, unemployment, and the output gap. Gini does not directly explain how changes in interest rates will affect inequality.

The Gini coefficient is not comprehensive enough to formulate monetary policy or financial regulation but can be a complementary indicator in understanding broader socio-economic issues. Central banks need more dynamic and operational indicators for their policy purposes.

Challenges in Collecting and Analyzing Inequality Data in Indonesia and ASEAN

- Most of the workforce in ASEAN (including Indonesia) works in the informal sector.
- Informal sector income is often not recorded in official statistical systems
- As a result, data used in household surveys may not reflect actual income, especially in the lower middle class.

Wealthy households often hide or underestimate their income and wealth, especially if it comes from overseas sources or informal investments.

Survey methodology, income definitions, units of observation (individual vs. household), and data collection techniques can differ across countries.

While spending is more stable to analyze, it does not fully reflect wealth inequality or access to assets.

The Impact of the Informal Economy and Underreporting on the Accuracy of Inequality Measurement

Hiding Real Inequality The informal economy means actual incomes are not fully reflected, especially for vulnerable groups.

Obscuring Policy Effectiveness When data is inaccurate, redistribution or social assistance policies can be misdirected.

The Impact of Income Inequality on Financial Inclusion, Credit Access, and Economic Stability in Indonesia

Financial Inclusion

- High inequality means that most income is concentrated in a small group of people.
- Low-income people tend not to have access to formal financial services (banks, insurance, digital savings).
- This increases financial exclusion, causing the poor to rely on informal institutions such as loan sharks, which are high-risk.

Credit Access

- Low and unstable incomes (especially in the informal sector) make many households fail to pass bank credit assessments.
- Without collateral or a clear credit history, people find it difficult to access business capital or productive consumer credit.

Solution → Promoting digital financial inclusion, micro-credit-based MSMEs, and redistribution of productive assets (such as land or fertilizer subsidies for small farmers) are concrete strategies to address the roots of inequality.

Additional Indicators to Complement the Gini Coefficient
Access to Financial Services (Financial Inclusion Index) → Measures the proportion of the population that has:
• Bank account
• Access to formal loans
• Insurance or digital financial services

CERTIFICATE

08/TRILOGI/Rector/sertifikat/IV/2025

Presented to:

Dr. ARMAN

As

DISCUSSANT

In Forum Group Discussion with the theme “**Measuring Income Inequality for ASEAN Region**” held at Universitas Trilogi

Jakarta, 22 April 2025



Prof. Dr. Pramono Hari Adi, M.S.

Rector

Dr. Zaheer Anwer

Associate Professor and Deputy Dean
(Internationalisation), Sunway Business
School, Sunway University