

UDC 332

TRACING THE INFLUENCE OF ISLAMIC FEAST DAYS ON THE MAIN COMMODITY INFLATION ACCORDING TO THE EXPENDITURE GROUP

Wahab Abdul, Hasbiullah*, Muslimin, Syharuddin, Anwar Andi Faisal, Nurfadillah

University of Islam Negeri Alauddin, Makassar, Indonesia

*E-mail: hasbiullahjabbar@gmail.com

ABSTRACT

The problem of the stability price level of goods or inflation is still an economic problem that is always faced by South Sulawesi Province. The inflation often occurs ahead of feast days such as Ramadan, Eid al-Fitr and Eid al-Adha, Christmas, New Year and other feast days. Various kinds of efforts have been made, but the government as the policy maker to overcome this problem has not been able to control the causes of inflation in these major days. This research aims to find out the influence of Islamic feast days on inflation based on expenditure group in South Sulawesi Province. This research is quantitative research by using Auto Regressive Moving Average (ARMA) method. The data used are secondary data, namely inflation rate data based on expenditure group in South Sulawesi Province in 2012-2017, which are obtained from the Central Bureau of Statistics of South Sulawesi Province. The results of this research indicate that inflation of foodstuff, processed food, beverage and tobacco groups have a significant influence on Islamic feast days, while the inflation of clothing, housing, health, education and transportation does not have a significant influence or increase on feast days. It is recommended for the government in formulating the policy in the future, through the coordination of Central Bank of Indonesia, should strictly control inflation in the expenditure group, so that the inflation rate remains stable. In anticipation of price jump at the start of the Ramadan month, the government should conduct market operations and maintain the stability of commodity supplies which are the causes of inflation ahead of Ramadan, especially food commodities, such as rice, chili, eggs, beef, cooking oil and others. The government should also directly monitor the price so that there is no speculation about these basic items.

KEY WORDS

Inflation, expenditure, Islamic Feast days.

Inflation is one of the causes of the decline in the macro economy in South Sulawesi Province which has an impact on deteriorating economic growth and declining purchasing power and people's income. In addition, inflation can also cause people's interest to save decreases. Inflation in general often occurs on major feast days such as Ramadan, before the feast, the birthday of the prophet Muhammad, and new year in South Sulawesi Province. On the other hand, the government, which acts as a policy maker to overcome this problem, has not been able to control the causes of inflation on every feast days. This is in line with the findings of Levy et.al (2010), Bergen et.al (2008), Chevalier et.al (2003: 20), Bowen and Pashigian (1991), Warner and Barsky (1995) who found that Christmas and thanksgiving has contributed to the increase in prices of goods, where shopping centers are busy enough at these times to serve the demand for goods that are quite high. This type of inflation, commonly referred to as seasonal inflation, occurs due to inflation occurring on major feast days that has continued to occur over the past few years in South Sulawesi Province. This is really an economic problem for South Sulawesi Province. Coinciding with Ramadan which is always experiencing an increase in inflation. Where in July and August 2012, to coincide with Ramadan, inflation in South Sulawesi Province increased by 1.25 percent. In July 2013, the inflation rate increased by 3.05 percent, while in August, the increase in inflation was only 1.58 percent, this is because Ramadan ended at the beginning of August. Up to June 2016, the inflation increased by 0.45 percent while in July, inflation increased by 1.04 percent.

In addition to Ramadan, inflation also often occurs on other feast days such as Christmas, New Year and Birthday of the Prophet Muhammad. Ramadan usually happens in December and January. In January 2012, the inflation increased by 1.13 percent and in December, the increase in inflation was only 0.50 percent. In 2014, at the beginning of the year, inflation increased by 1.11 percent, while at the end of the year in December, the inflation increased by 2.75 percent. In 2016, an increase in inflation in January was 1.22 percent and in December, an increase in inflation was 0.30 percent. Inflation that occurs at the end of the year and beginning of the year is caused by the culture of the community in almost all region of Indonesia, in which people enjoy long feast days, usually at the end of the year, which are usually enjoyed by gathering with family and usually have an impact on demand for basic goods, which are increasing. In addition, inflation is also common to occur during the Birthday of Prophet Muhammad, which is due to the culture of Muslims in almost all region of Indonesia, when in addition to performing prayers and dhikr together in the mosque, the community also expresses their gratitude by distributing some food to other people (Central Bureau of Statistics of South Sulawesi Province, 2017).

Inflation is the cause of the decline in people's purchasing power. However, the fact is that it is inversely proportional to Ramadan, where people's purchasing power actually experiences an increase, which is marked by excess public demand for goods and services, causing inflation. This is inversely proportional to the existing theory. Inflation is sometimes caused by public speculation, where people's consumption patterns change and tend to increase. Usually, people in Ramadan tend to want to consume more food or goods, an increased level of consumption leads to an increase in the price of some consumer goods, because traders or merchants take the opportunity to increase the price of goods, to obtain higher profits, especially related to basic needs. In the end, the inflation rate is also pushed up due to the rise in prices of these consumer goods. In addition, inflation is also sometimes caused by the limited number of goods on the market. Usually, the number of goods available is limited due to the distribution of goods that are not smooth. Usually, there are many people who deliberately hoard essential goods to slow their distribution to the market. The impact for the community is that there is a scarcity of the staples, so the speculators take advantage of the situation for profit. At the same time, the situation triggers inflation.

Table 1 – Goods and Services Group Inflation in South Sulawesi Province in 2012-2016

Goods and services	Year				
	2012	2013	2014	2015	2016
Foodstuff	6.56	6.97	16.02	8.78	6.36
Processed food	5.03	4.47	6.21	5.48	3.63
Housing	3.35	6.06	6.87	4.13	2.76
Clothing	7.08	2.36	3.24	6.01	2.97
Health	2.83	3.71	5.08	5.02	2.65
Education	3.41	1.39	1.85	2.57	0.83
Transportation	1.16	11.58	10.15	10.99	(0.87)
General	4.40	6.22	8.61	4.48	2.94

Source: Bank Indonesia, 2017.

In depth, inflation phenomenon can be seen from the Regional Economic and Financial Review of the South Sulawesi Province issued by Bank Indonesia (2017) which reported that the consistent group that was the first or second largest contributor to inflation each year was the foodstuff group, precisely from year 2012 to 2016.

LITERATURE REVIEW

Irving Fisher in Mankiw (2007) argued that there is a direct relationship between the growth of the velocity of money and the increase in general prices (inflation) and the growth in the velocity of money, which is the main cause of inflation.

Fisher's theory can be formulated as follows:

$$M.V = P.T \quad (1)$$

Where: M = the amount of money in circulation, V = the velocity of money circulation, P = the price of goods and services and T = the amount of goods transactions (Trade), assuming that the economy will always be in full employment, then the T factor will always be constant. In addition, V is considered constant because every money received by the community continues to be issued again, people need the money only to carry out transactions and money is needed not for the money itself, assuming the velocity of money in circulation and the amount of transaction of goods is fixed/constant, then if the velocity of money increases it will also increase the price of the goods. Thus, the main cause of inflation or rising prices according to Fisher is due to the growth in the velocity of money.

However, the quantity theory of money is not in accordance with the theory proposed by Keynes in Edgmand (1987) Nanga (2001) and Persaulian, et al (2013: 2) and Rifdo (2012) that growth in the velocity of money will not cause an increase in inflation, Keynes said that the velocity of money circulation (V) is something that is changeable (variable). If there is an increase in the velocity of money, it will not cause changes in the price level. In other words, the price level will remain constant. In contrast to the classics who assume the economy is always in full employment, Keynes on the contrary stated that unemployment can occur for a long period of time or even for an unlimited period of time. With unemployment, an increase in the velocity of money (except in extreme cases) will cause an increase in the price level and the output level. Thus, in this output, the increase in the velocity of money (disproportionate), even though the velocity of the velocity of money is constant. Furthermore, Keynes argued that price increases occur because a society wants to live beyond the limits of its economic capacity, which is characterized by the people's demand for goods exceeding the amount of goods available, so Keynes is of the view that there are many factors that influence the price increase in the short term, such as household consumption expenditure (C), investment expenditure (I), government expenditure and taxes.

The increase in inflation continuously can cause a decline in the economy in a region. The main factor that determines the economic achievement of an area is the aggregate expenditure which is a public expenditure on goods and services (consumption), in the short run, consumption fluctuations have a significant influence on economic fluctuations and long-term economic decisions will affect other macroeconomic variables. In the short term, Keynes said that consumption is influenced by current disposable income, when income rises; consumption also increases but not as much as the level of income. According to Keynes, there is a minimum consumption limit that is independent of the level of income. That is, the level of consumption must be met, even though the level of income is equal to zero.

Unlike the case with structuralists, as expressed by Kirkpatrick and Nisson in Mankiw (2007), inflation is something that is rooted in the existence of various structural rigidity constraints. These structuralists basically criticize the monetarists who only focus on monetary factors, and pay less attention to non-monetary factors, such as structural and institutional factors. Their analysis of inflation is more focused on the problem of inflation that occurs in developing countries. Structural people identify that there are several obstacles that are the cause of rising prices or inflation in developing countries, namely:

a. Constraint to food supply that are inelastic. This is due to structural constraints in the agriculture sector of developing countries, where predominantly in the hands of giant capitalist agricultural businesses are driven to maximize profits, or in the hands of small agricultural businesses that operate almost only at the level of subsistence, and almost not related to the market economy.

b. Foreign exchange constraint. This obstacle arises because the value of foreign exchange revenue growth is insufficient to meet the increasing need for imported goods due to accelerated development efforts, population growth, and rapid industrialization efforts that take place in an environment with limited technology, structural imbalances and imperfect mobility factors.

c. Fiscal constraint, namely constraints in the form of insufficient domestic financial resources. Development efforts enlarge the scope of government involvement in the economy, but government revenues rarely increase rapidly enough to compensate for

increased spending. For structuralists, the increase in the velocity of money is a permissive factor that allows the inflation spiral to form and become cumulative, and such symptoms are symptoms of structural rigidity that affect inflationary pressures, and not the cause of inflation itself.

Although there are differences in views as described previously, both monetarist and Keynesian-flow economists, to structuralist-flow economists, experts agree that inflation is a monetary phenomenon, as expressed by Robert Lucas in Firman (2016) and Santoso (2013), which seeks to synthesize the idea. In this case, Robert Lucas is seen as a figure from the flow of rational expectations (Rational Expectation or Ratex), which argued that inflation occurs if people make mistakes on expectations, then government policies can produce results, for example the policy of increasing the velocity of money has an impact on increasing output. On the other hand, the Ratex flow agrees with the view of Irving Fisher, who said that inflation is a monetary phenomenon and said that the velocity of money is the key to achieving price stability.

METHODS OF RESEARCH

The research method used in this research was quantitative descriptive method. This research used quantitative research method by using an analysis tool, namely Auto Regressive Moving Average (ARMA). The data used were secondary data, namely Inflation level data according to expenditure group that coincide with major feast days, especially during Ramadan and Eid al-Fitr, in 2012-2017 period in South Sulawesi Province, which was obtained from the Central Bureau of Statistics of South Sulawesi Province and Bank Indonesia representative offices in South Sulawesi Province. The 2012-2017 period was chosen because the ARMA analysis model is a time series regression that requires a minimum of 30 periods.

The method used to see the influence of the Feast days on Inflation was the method of analysis of Auto Regressive Moving Average (ARMA), better known as the Box-Jenkins methodology, because ARMA is a method that can see the influence of seasonal in a certain period of time, and uses time series data, because according to Central Bureau of Statistics, the ARMA model has a very good accuracy for short-term forecasting, whereas for long-term forecasting, the accuracy of forecasting is not good, it will usually tend to be flat (horizontal/constant) for quite a long period. Time series data is a series of observations of a variable taken from time to time and recorded sequentially according to the sequence of events with a fixed time interval. Data analyzed in time series must be stationary in variance and mean. Some time series models include the autoregressive (AR) model, the moving average (MA) model, the autoregressive moving average (ARMA) model, and the integrated moving average (ARIMA) model. To see the impact of the Feast days (Ramadan and Eid), a dummy variable will be included in the model, namely the month of the Feast days (month of occurrence of Feast days = 1, Month of Non-Feast days = 0).

RESULTS AND DISCUSSION

This research used a dummy variable regression to see the influence of the feast days on the main commodity inflation in South Sulawesi Province. By looking at the p-value of the results of the dummy variable regression data, the researchers can find out whether the feast days has a significant influence on inflation. The following table estimates the p-value dummy variable.

From the existing Table, it can be seen that from the results of the dummy variable regression data processing, the month that coincides with Islamic feast days (D1), namely the Eid Al-Fitr in Ramadan month, had a significant influence on inflation according to foodstuff group (Y1) and processed food, beverages and tobacco (Y2), where the known p-values of the two variables were respectively 0.0135 and 0.0045, which means the p-value < $\alpha = 0.05$, which means that H_0 was rejected and H_a was accepted. While the feast days did not have a significant influence on other dependent variables such as inflation of housing

group (Y3), clothing group (Y4), health group (Y5), education group (Y6) and transportation group (Y7), which can be seen that the value of $p\text{-value} > \alpha = 0.05$. On the other hand, dummy variables for 1 month before (D-1) and 1 month after Ramadan (D + 1) did not have a significant influence on all inflation variables according to the expenditure group, which can be seen that the $p\text{-value} > \alpha = 0.05$.

Table 2 – Estimation of p-value of Dummy Variable

Variables	Y1	Y2	Y3	Y4	Y5	Y6	Y7
D1	0.0135	0.0045	0.1751	0.1376	0.9425	0.7654	0.3960
D-1	0.0811	0.3507	0.3505	0.8041	0.6828	0.6324	0.2765
D+1	0.2190	0.3725	0.9515	0.1679	0.8956	0.2546	0.7685

Source: Data processing results, EViews 9.

Note: D1: Ramadan; D-1: 1 month before Ramadan; and D + 1: 1 month after Ramadan. Y1: Inflation of foodstuff group; Y2: Inflation of processed food group; Y3: Inflation of housing group; Y4: Inflation of clothing group; Y5: Inflation of health group; Y6: Inflation of education group; Y7: Inflation of transportation group.

Inflation Based on Groups

- Stationary test

Before analyzing the data, firstly, the researchers should know whether the data is stationary or not stationary. To find out about it, it can be seen from the AC correlogram and the PAC data. The following explanation is a correlogram from inflation data by group, which is stated to be stationary in level, namely; inflation of foodstuff (probability value at the first lag = 0.056, greater than $\alpha = 0.05$ although the second lag to the last lag had a value close to 0), inflation of the processed food, beverages and tobacco group (probability value at the first lag = 0.708, greater than $\alpha = 0.05$, until the last lag, the probability value had a value close to 1), inflation of housing group (the probability value in the first lag = 0.581, greater than $\alpha = 0.05$, until the last lag, the probability value had a value close to 1), inflation of clothing group (probability value in the first lag = 0.524, greater than $\alpha = 0.05$, until the last lag, the probability value had a value close to 1), inflation of health group (probability value in the first lag = 0.407, greater than $\alpha = 0.05$, until the last lag, the probability value had a value close to 1), inflation of education group (the first to the last probability value was greater than $\alpha = 0.05$ and the probability value had a value close to 1), and the inflation of transportation group (the probability value in the first lag = 0.188, greater than $\alpha = 0.05$ until the last lag, the probability value had a value close to 1).

- Unit Root Test

In addition to correlograms, to test stationary data, a unit root test can also be used. Following are the results of the unit root test for inflation data based on the group which has been concluded to be stationary. The data referred to include; the foodstuff group (from the unit root test results, it is known that the critical value of this group at $\alpha = 5\%$ was -2.904198 which was smaller than the t value of ADF of -7.267502), the processed food group (the critical value at $\alpha = 5\%$ was -2.902953 which was smaller than the t value of ADF of -7.942969), inflation of housing group (critical value at $\alpha = 5\%$ was -2.902953 which was smaller than the t value of ADF of -7.7s84821), inflation of clothing group (critical value at $\alpha = 5\%$ was -2.902953 which was smaller than t value of ADF of -7.632272), inflation of health group (critical value at $\alpha = 5\%$ was -2.902953 which was smaller than the t value of ADF of -7.465928), inflation of education group (critical value at $\alpha = 5\%$ was -2.902953, which was smaller than the t value of ADF of -7.465928), inflation of transportation group (the critical value at $\alpha = 5\%$ was -2.903566 which was smaller than the t value of ADF of -7.069030).

- Model Identification and Model Selection

In this stage, identification of models that will be used to carry out this analysis is conducted. At this stage, it usually conducted identification of several models so as to find a good model to use, as for the model chosen in the identification of these models is the ARMA model which generally shows significance and it can be concluded that the ARMA model can be used. In addition, it can be concluded that the current period data is influenced by the

data in the previous period, as well as the previous data residual values. For example, the estimation results of the ARMA model (3.2) for inflation of the foodstuff group showed that the AR coefficient value (3) of -0.332206 had a t-statistic value = -2.754866 which was smaller than the t-critical value of $\alpha = 5\%$ which amounted to -2.904198, thus, it was said to be significant. The coefficient value of MA (2) of -0.319081 had a t-statistic value = -2.189094 which was smaller than the t-critical value of $\alpha = 5\%$ which was -2.904198, (2) Inflation of processed food, beverages and tobacco was the ARMA model (0.12), which confirmed that the MA coefficient (12) of 0.259078 had a t-statistic value = 2.370094 which was smaller than the t-critical value of $\alpha = 5\%$ which was -2.902953, thus, it was significant.

(3) Inflation of housing group was ARMA model (3.2), showing that the AR coefficient value (3) of 0.053297 had a t-statistic value = 0.401567 which was smaller than the t-critical value of $\alpha = 5\%$ which was equal to -2.902953, thus, it was significant. The coefficient value of MA (2) of 0.176821 had a t-statistic value = 1.683753 which was smaller than the t-critical value of $\alpha = 5\%$ which was -2.902953, (4) Inflation of the clothing group, the result of estimation of the ARMA model (0.4) illustrated that the MA coefficient (4) of -0.3354342 had a t-statistic value = -2.733202 which was smaller than the t-critical value of $\alpha = 5\%$ of -2.902953, (5) Inflation in the health group, the results of the estimated ARMA model (0.6) indicated that the MA coefficient (6) of 0.268014 had a t-statistic value = 2.610465 which was smaller than the t-critical value of $\alpha = 5\%$ which was -2.902953, thus, it was significant, (6) Inflation of education group, the results of the estimated ARMA model (1.0) showed that the AR coefficient value (1) of 0.233138 had a t-statistic value = 2.843160 which was smaller than the value t-critical $\alpha = 5\%$ which amounted to -2.903566, thus, it was significant, (7) Inflation of transportation group, the results of the estimated ARMA model (0.1) indicated that the coefficient value of MA (1) which amounted to 0.273256 had a t-statistic value = 2.617894 which was smaller than the t-critical value of $\alpha = 5\%$ which was -2.903566, thus, it was significant.

- Residual Test

After choosing the best model, a residual test was conducted to see whether the selected model is white noise or not. If it is white noise, then the researchers must re-identify the model as in the previous stage. Overall, the residual graph (which is blue) was random and did not form horizontal lines, thus, it can be said to be white noise. Likewise, it can be seen using a residual correlogram graph, it can be seen in general that the bars on the autocorrelation and partial autocorrelation graphs are in the Bartlett line (dashed line) and the probability values are all very large and close to 1. Thus, it can be concluded that the ARMA model is already white noise, which in other words, it met the requirements for use.

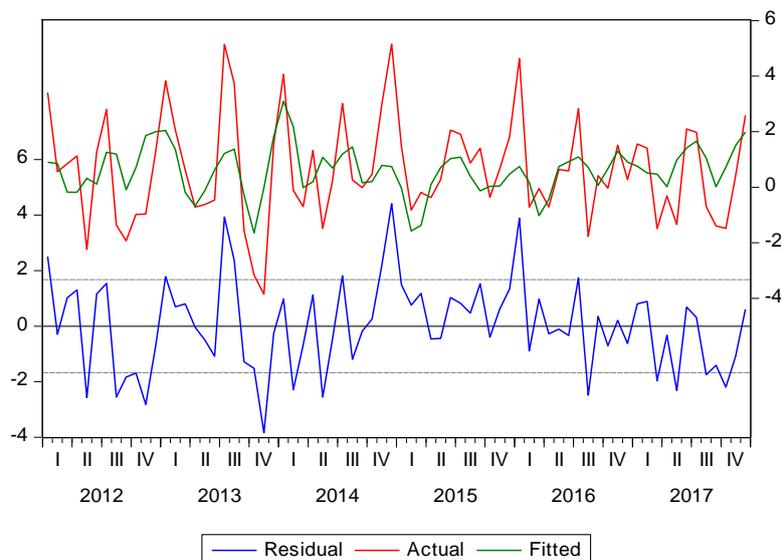


Figure 1 – Graph of ARMA Model Residual Test (3.2) Inflation of Foodstuff Group

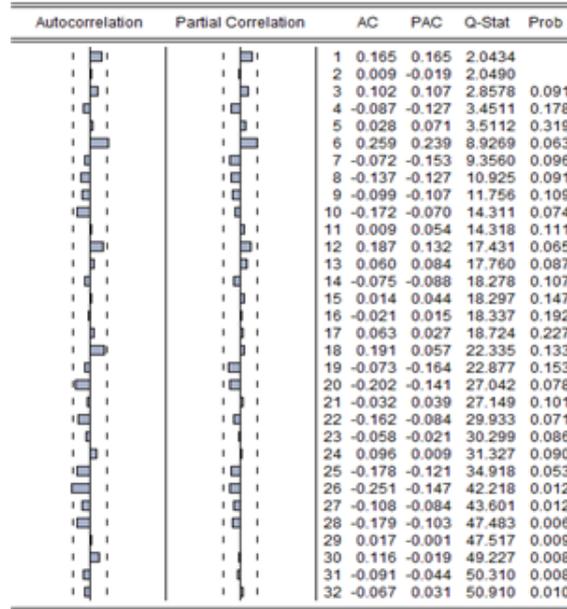


Figure 2 – Collegram of ARMA Model Residual (3.2) Inflation of Foodstuff Group

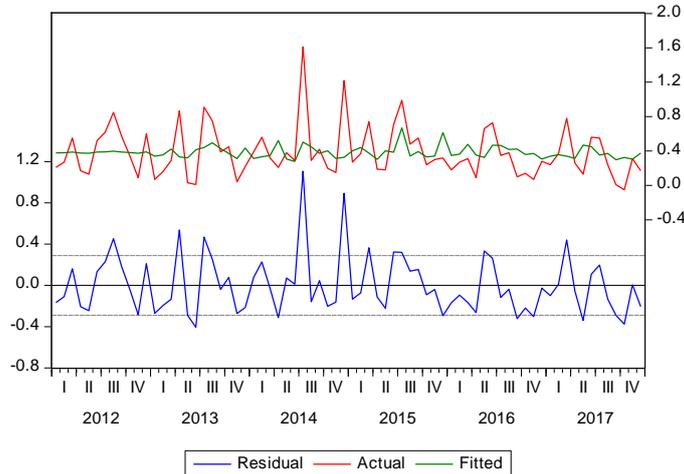


Figure 3 – Graph of ARMA Model Residual Test (0.12) Inflation of Processed Food Group

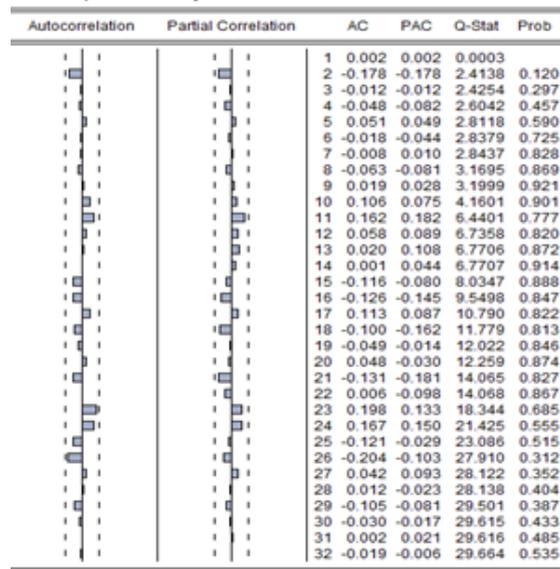


Figure 4 – Collegram of ARMA Model Residual (0.12) Inflation of Processed Food Group.

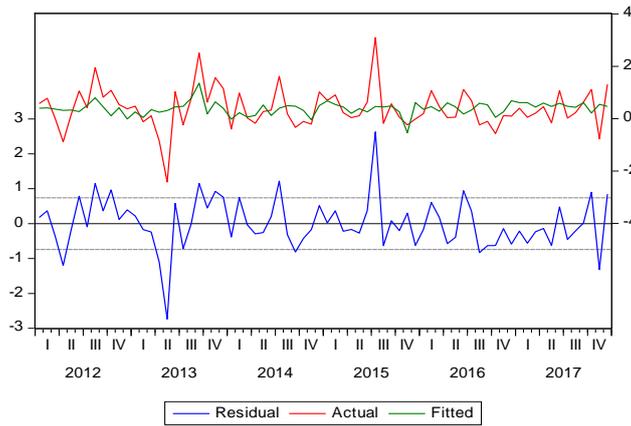


Figure 5 – Graph of ARMA Model Residual Test (3.2) Inflation of Housing Group

Autocorrelation	Partial Correlation	AC	PAC	Q-Stat	Prob
1	1	0.046	0.046	0.1616	
2	0.044	0.042	0.3087	0.578	
3	0.009	0.005	0.3154	0.854	
4	-0.036	-0.039	0.4179	0.937	
5	-0.075	-0.072	0.8624	0.930	
6	-0.159	-0.151	2.8969	0.716	
7	-0.104	-0.088	3.7807	0.706	
8	-0.018	-0.000	3.8083	0.802	
9	-0.180	-0.181	6.5477	0.586	
10	-0.127	-0.144	7.9411	0.540	
11	0.033	0.018	8.0385	0.625	
12	0.225	0.210	12.526	0.325	
13	0.093	0.052	13.309	0.347	
14	-0.103	-0.190	14.279	0.355	
15	-0.003	-0.099	14.280	0.429	
16	0.116	0.106	15.554	0.412	
17	-0.038	0.002	15.697	0.474	
18	-0.003	0.006	15.697	0.545	
19	0.026	0.000	15.767	0.609	
20	-0.002	-0.035	15.767	0.673	
21	-0.028	0.043	15.849	0.726	
22	-0.033	0.087	15.962	0.772	
23	0.108	0.094	17.234	0.750	
24	-0.024	-0.172	17.300	0.794	
25	0.008	-0.019	17.307	0.835	
26	-0.275	-0.217	26.069	0.404	
27	-0.017	0.053	26.103	0.457	
28	-0.053	-0.062	26.445	0.494	
29	0.088	0.132	27.414	0.496	
30	0.054	0.052	27.790	0.529	
31	0.019	-0.055	27.836	0.579	
32	0.027	-0.037	27.932	0.625	

Figure 6 – Colleague of ARMA Model Residual (3.2) Inflation of Housing Group

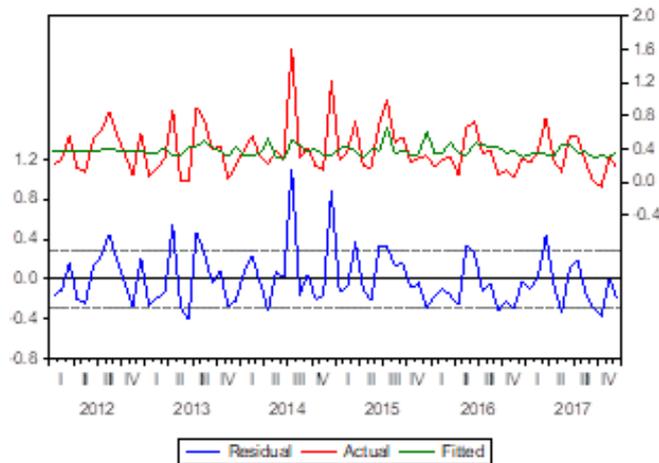


Figure 7 – Graph of ARMA Model Residual Test (0.4) Inflation of Clothing Group

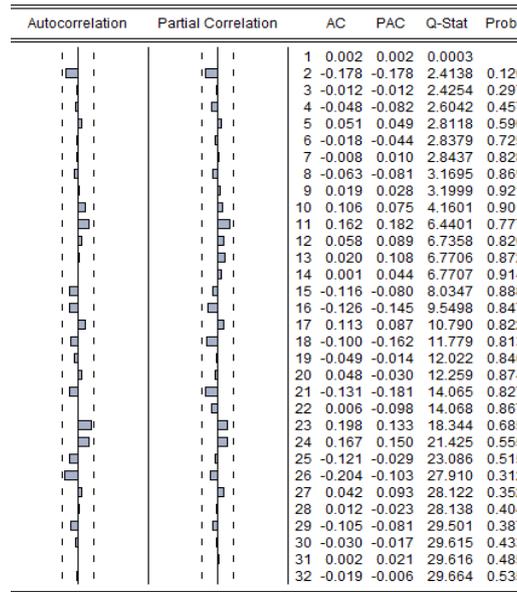


Figure 8 – Collegram of ARMA Model Residual (0.4) Inflation of Clothing Group

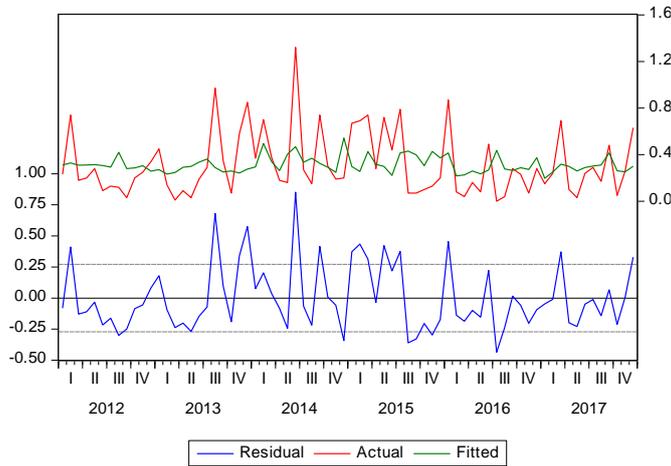


Figure 9 – Graph of ARMA Model Residual Test (0.6) Inflation of Health Group

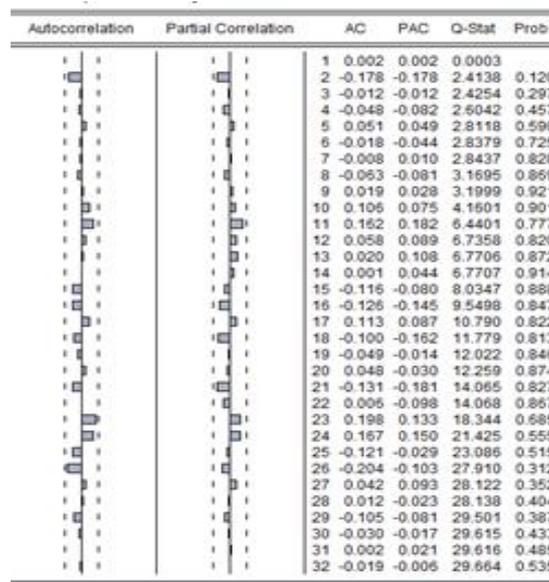


Figure 10 – Collegram of ARMA Model Residual (0.6) Inflation of Health Group

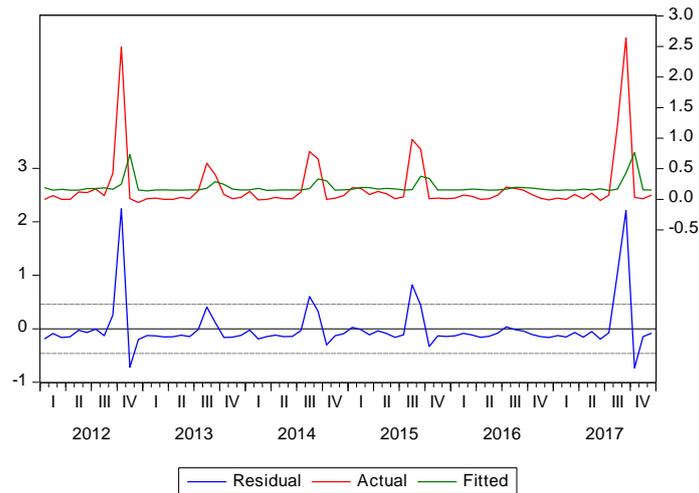


Figure 11 – Graph of ARMA Model Residual Test (1.0) Inflation of Education Group

Autocorrelation	Partial Correlation	AC	PAC	Q-Stat	Prob	
		1	0.048	0.048	0.1763	
		2	-0.176	-0.179	2.5354	0.111
		3	-0.075	-0.058	2.9684	0.227
		4	-0.035	-0.062	3.0664	0.381
		5	-0.039	-0.060	3.1855	0.527
		6	-0.055	-0.076	3.4281	0.634
		7	-0.051	-0.075	3.6432	0.725
		8	-0.055	-0.089	3.8908	0.792
		9	-0.088	-0.132	4.5497	0.804
		10	0.035	-0.010	4.6568	0.863
		11	0.070	-0.002	5.0854	0.885
		12	0.090	0.059	5.8068	0.886
		13	0.031	0.016	5.8939	0.921
		14	-0.035	-0.025	6.0033	0.946
		15	-0.036	-0.031	6.1240	0.963
		16	-0.065	-0.079	6.5237	0.970
		17	-0.057	-0.072	6.8343	0.976
		18	-0.036	-0.068	6.9648	0.984
		19	-0.040	-0.068	7.1226	0.989
		20	-0.054	-0.092	7.4224	0.992
		21	-0.070	-0.124	7.9286	0.992
		22	0.036	-0.047	8.0662	0.995
		23	0.091	-0.019	8.9622	0.994
		24	0.159	0.094	11.766	0.974
		25	0.108	0.078	13.077	0.965
		26	-0.091	-0.073	14.027	0.961
		27	-0.037	0.003	14.188	0.970
		28	-0.017	-0.033	14.222	0.979
		29	-0.037	-0.042	14.396	0.984
		30	-0.021	-0.022	14.451	0.989
		31	-0.006	0.004	14.455	0.992
		32	-0.029	-0.026	14.566	0.995

Figure 12 – Collegram of ARMA Model Residual (1.0) Inflation of Education Group

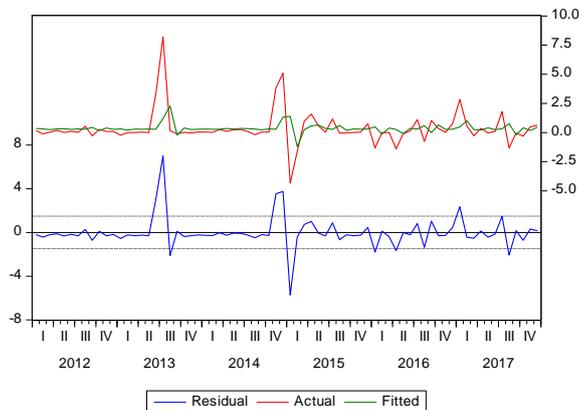


Figure 13 – Graph of ARMA Model Residual Test (0.1) Inflation of Transportation Group

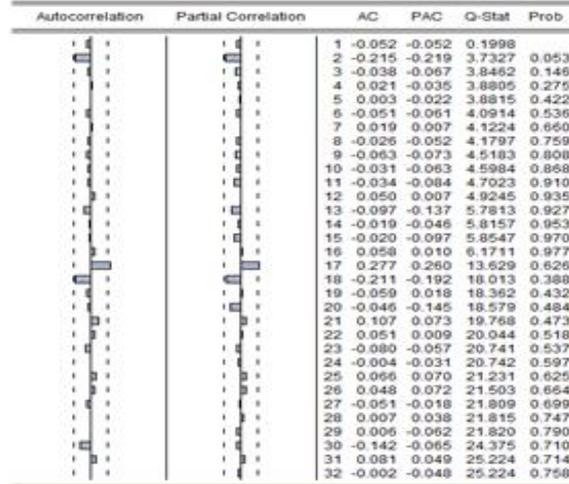


Figure 14 – Colleaguegram of ARMA Model Residual (0.1) Inflation of Transportation Group

Based on the research that has been conducted, the detailed interpretation of the test results can be explained as follows; The results showed that the variable of feast days (Ramadan and Eid al-Fitr) on Inflation in the Foodstuff group, had a significant value of 0.0135, or less than $\alpha = 0.05$. Therefore, it can be concluded that H_a was accepted and H_0 was rejected, thus, it can be said that the feast days (Ramadan and Eid al-Fitr) significantly influenced the Inflation of the Foodstuff group. Likewise with the dependent variable of Inflation in the processed food, beverages and tobacco group. The results showed that the variable of feast days (Ramadan and Eid al-Fitr) on Inflation in the Processed Food group had a significant value of 0.0045, or less than $\alpha = 0.05$.

It can be concluded that H_a was accepted and H_0 was rejected, thus, it can be said that the feast days (Ramadan and Eid al-Fitr) had a significant influence on the inflation of the Processed Food, Beverage and Tobacco groups. Whereas for the dependent variable of Inflation in the Housing, Clothing, Health, Education and Transportation Group, the results of the research showed that the variable of feast days (independent variable) on the 5 dependent variables (Inflation in the Housing, Clothing, Health, Education and Transportation Group), had significant number respectively, namely 0.1751; 0.1376; 0.9425; 0.7654; and 0.3960, which were greater than $\alpha = 0.05$.

It can be concluded that H_a was rejected and H_0 was accepted, thus, it can be said that the feast days (Ramadan and Eid) did not have a significant influence on inflation in the housing, clothing, health, education and transportation groups.

Inflation occurs usually caused by the amount of money circulating in the community, the demand for goods that are too big while the goods produced are limited (household consumption expenditure). Keynes argued that price increase occurs because a society wants to live beyond its economic capacity, which is characterized by people's demand for goods exceeding the amount of goods available, therefore, Keynes is of the view that there are many factors that influence the price increase in the short term, such as household consumption expenditure (C), investment expenditure (I), government expenditure and tax.

Asides from that, the culture of the people in South Sulawesi also influences the inflation that usually occurs before Ramadan and Eid al-Fitr, people usually spend a large amount of money or become consumptive, so that investment or savings are reduced to be used to meet the needs during Ramadan, resulting in a large amount of money circulating in the community, causing inflation. This research is in line with the research conducted by Wijoyo Santoso, Sri Liani, Nurhemi and Guntur (Working Paper BI, 2013), which concluded that Ramadan had a significant influence on inflation in commodities such as beef, chicken meat and chicken eggs. Likewise, research conducted by Puspa Ayu (2015) also concluded that there was an influence of Eid al-Fitr on inflation by 0.52%. On the other hand, in the research conducted by Muhammad Akmal and Muhammad Usman Abbasi (2010), it

concluded that Ramadan did not have a significant impact on the price of goods in Pakistan. The overall CPI (consumer price index) did not increase in Ramadan, it only occurred on certain items.

Based on the results of research as well as theories and previous research, this research emphasizes that there is a significant day-to-day influence on inflation according to the expenditure group, even though only certain groups, such as inflation in the foodstuff and processed food groups.

CONCLUSION

According to the expenditure group of foodstuff, processed food, beverages and tobacco, inflation experienced a significant increase during the feast days (Ramadan and Eid al-Fitr). On the other hand, according to the expenditure group of housing, clothing, health, education and transportation, inflation did not have a significant influence or increase on feast days (Ramadan and Eid al-Fitr). Meanwhile, there was no significant influence and increase on inflation according to the expenditure group in one month before Ramadan. Likewise, there was no significant influence on inflation in one month after Ramadan.

Suggestions for government or related institutions, Bank Indonesia (BI), offices or the ministry of trade. To anticipate price jump at the start of Ramadan, the government should conduct market operations. Market operations ahead of Ramadan are important to influence traders' or merchants' expectations of inflation so that price jump can be handled from the start. Then, the government should maintain the stability of the supply of commodities that are contributing to inflation due to Ramadan, especially food commodities, such as rice, chili, eggs, beef, cooking oil and so on. The government should also go directly to protect or become a distributor of commodities or staple goods to avoid speculation on staple goods. Poor supervision will usually lead to a black market. In addition, the government should also encourage entrepreneurs and even the community to increase their production.

Although inflation in the housing, clothing, health, education and transportation groups did not affect the feast days, the government through the coordination of BI should continue to control the expenditure group so that the inflation rate remained stable. In addition, the TPID or Regional Inflation Monitoring Team should coordinate with local governments in South Sulawesi Province to handle inflation in South Sulawesi Province.

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