

ABSTRACT

The process of economic development carried out by a country seeks to improve the welfare of its people. In Indonesia, the problem that still often occurs is income inequality. Income inequality can occur in urban, rural, inter-provincial, and inter-regional areas. The purpose of this study was to analyze the effect of per capita GRDP, unemployment, education, and population on income inequality with a case study of 6 provinces (DKI Jakarta, West Java, Central Java, DIY, East Java and Banten) in Java from 2015 -2021.

This study uses secondary data and the analytical method used in this study is panel data regression analysis. The data used is panel data in the form of cross section 6 provinces in Java and time series for 2015-2021. The model used is the Fixed Effect Model (FEM). Based on the results of this study, the variables of GRDP per capita and population have no effect on income inequality, the TPT variable has a positive and significant effect. While the RLS variable has a negative and significant effect.

Keywords: Income Inequality, GRDP Per Capita, Unemployment, Education, Population, Gini Index, Fixed Effect Model (FEM).