ABSTRACT

This study aims to analyze the classification of economic development, development inequality and the effect of economic growth, the Open Unemployment Rate, and the Human Development Index on development inequality in DIY Province in 2013-2019.

The approach used in this research is quantitative with secondary data obtained from the Indonesian Central Statistics Agency (BPS) in 2013-2019. The method used to analyze the classification of economic growth using Klassen typology, while to analyze development inequality using the Williamson index, and to analyze the factors that influence development inequality using panel data regression.

Based on the results of the research on the classification of economic development, it shows that areas with advanced and fast development are Yogyakarta and Sleman, while fast developing areas are Kulonprogo and relatively underdeveloped areas are Gunungkidul and Bantul. Based on the results of the Williamson index, it shows that the largest development inequality is in the Kulonprogo, Bantul, and Gunungkidul areas, which means that there is inequality for the community in accessing development outcomes. Based on the results of panel data regression, it shows that the variable economic growth has an insignificant negative effect on development inequality, the unemployment variable has a significant positive effect on development inequality, and the HDI variable has a significant negative effect on development inequality in DIY Province so that in reducing development inequality in DIY Province it is necessary to increase the field. employment based on regional potential and improvement of human resources so that inclusive economic growth can be realized.

Keywords: Development classification, development inequality, economic growth