

ABSTRACT

Income Distribution Inequality is the problems that will be affected by a country in the process of development. Yogyakarta Province has the highest income distribution inequality in Indonesia. The trend of income distribution inequality has increased from 2013 to 2022, but the level of economic growth in Yogyakarta Province also increases every year. The purpose of this study is to analyze the effect of Economic Growth, Human Development Index and Open Unemployment Rate in partial and simultan to Income Distribution Inequality in D.I Yogyakarta Province 2013-2022.

The study uses panel data regression analysis with the Common Effect Model (CEM), a significance level of 5 percent and uses a one tail test to determine the effect of Economic Growth, Human Development Index and Open Unemployment Rate to Income Distribution Inequality in D.I Yogyakarta Province 2013-2022.

The estimation results of the study using the common effect model (CEM) and the Newey West method indicate that partially the economic growth and the open unemployment rate do not have a significant effect on income distribution inequality. The Human Development Index has a positive and significant effect on income distribution inequality. Simultaneously, all dependent variables affect of income distribution inequality in D.I Yogyakarta Province 2013-2022.

Keywords: Income Distribution Inequality, Gini Ratio, Economic Growth, Human Development Index (HDI), Open Unemployment Rate, Common Effect Model (CEM)