

## **ABSTRACT**

*Solo Raya is a strategic area in Central Java Province aimed at increasing economic growth and equitable development across regencies/cities. However, inequality remains a major issue, with significant differences between the main/core city and its surrounding areas, both in terms of income and economic growth. This study aims to identify the phenomenon of development inequality influenced by the availability of economic resources between regions and to classify the potential economic sectors of each regency/city. This study aims to evaluate the level of development inequality between districts/cities and identify economic sectors with the potential to drive growth in the Solo Raya Strategic Area between 2019 and 2023. Inequality was measured using the Williamson Index and the Theil Entropy Index, while the Location Quotient (LQ) and Shift Share methods were used to analyze potential sectors. Secondary data, including GRDP at constant prices, GRDP per capita, population, and economic growth rate, were obtained from the Central Java Statistics Agency (BPS). The findings of this study indicate that the level of development inequality in the Solo Raya Area is moderate and tends to increase during the study period. This inequality is partly due to the difference in GRDP per capita between Surakarta City, as the growth center, and the surrounding districts. Furthermore, agriculture, manufacturing, and wholesale and retail trade serve as basic sectors in several regions, although their contribution to regional equity is not yet fully optimal. This research implies the need for more integrated development policies across regions, strengthening of leading sectors based on local potential, and increasing the competitiveness of basic sectors so that economic growth can be more evenly distributed across the region.*

**Keywords:** *Development inequality, potential economic sectors, and economic growth*

**FEB UNDIP**