

ABSTRACT

This study aims to identify income distribution and income inequality between provinces in Java. This study also analyzes the effect of investment, labor force, urbanization, life expectancy, average length of school, and government consumption of economic growth in Java.

This study use panel data, which are annual data from 2011 - 2016 in 6 provinces in Java. The data used in this study is secondary data sourced from BPS. The data in this study used Williamson Index Method and Lorenz Curve, and also fixed effect model regression.

The results show this study indicate income inequality between provinces in Java Island is still high and income distribution in the Java Island region is in creasing during 2011-2016. The fixed effect model shows investment, the average length of school and government consumption has a positive and significant effect on economic growth in Java, while the labor force, urbanization, and life expectancy do not significantly affect economic growth in Java.

Keywords: income inequality, economic growth, investment, average length of school, government consumption, fixed effect model