ABSTRACT

This study aims to to observe the convergence and disparities occurring in 6 provinces in java within 2004-2014. In see disparities happened used Index Williamson and an Index Entropy Theil and the result of index value evidenced by hypothesis Kuznet (a u-shaped inverted) Within view of convergence of occurring, is by seeing sigma-convergence , by counting standard value deviation of the Gross Domestic Product (GDP) per capita and beta-convergence with saw the value coefficient GDP per capita. Beta-convergence where divided into two , absolute convergence and conditional convergence.

The data used in this research using data during the period 2004-2014, of them are. GDP growth rate, GDP riil per capita 2000 without oil and gas, foreign capital investment, investment domestic and labor force. .The method used in research this is data panel with the approach Fixed Effect Method (FEM) and dummy variable areas .Data processed using eviews 6.

The result of the research indicated hypothesis Kuznet does not happen, which means economic growth in Java still is directly proportional to the gap .A pattern of the coefitiien variation sigma-convergence every year is increasing , this pattern shows that increase disparities in Java. Meanwhile a calculation beta-convergence shows that the absolute convergence and conditional convergence not happened in Java. Of the result of this research can be taken the conclusion that economic growth in Java are divergent, where economic growth still not equally and a ravine the gap is still high .

Keyword: Disparities , Hypothesis kuznet , Sigma-convergence , Beta convergence , Economic growth.