

ABSTRACT

The economic growth of Central Java Province tends to increase. From 2010 to 2014, economic growth in Central Java Province is about 5%, meanwhile there are still many districts/cities' economic growth in Central Java that are still coming in bellow average of Central Java Province's economic growth. Differences in economic growth indicating income disparity. The income disparity between regions can lead to developmental problem and economic instability. This research attempts to analyzing how big is the regional disparities and economic growth of the districts/cities, as well as classifying featured districts/cities in Central Java Province. Methods of analysis used here are the analysis of economic growth, Klassen's typology, Williamson's index and Entropy Theil's index.

The end results showed that there are still many districts/cities in Central Java Province that belong to the high growth but low income and the low growth and low income (quadrant III and quadrant IV). Income disparities between regions in Central Java Province in 2010-2014 was categorized high ($> 0,5$) and experienced a declining trend. In summarize, Kuznets' hypothesis on reversed "U" which describing the relation between economic growth and disparity, in fact could be found in Central Java Province.

Based on these findings, suggestions that could be conveyed are, the making of development policies should be highly prioritized to the relatively underdeveloped district/city by promoting its economic potential to the investors, and if a district/city does not have the sufficient potential of natural resources, it is better to concentrate on activities that revolves on the other potential sectors in their region.

Keyword : Central Java Province, economic growth, income disparities, Kuznets, per capita income.