

ABSTRACT

Inequality is a problem with establishment process that may not be eliminated, especially in developing countries. East Java Province has higher inequality than Central Java, West Java, and DIYogyakarta. DIYogyakarta province has the lowest inequality than the other provinces. This study aimed to compare between East Java and DIYogyakarta as well as to analyze the influence of the variable investment, agglomeration, and the unemployment regional inequality rate both of two provinces.

This study uses secondary data. Descriptive analysis and Pearson Correlation is used as a method in this research. Inequality income level in the province of East Java and DIYogyakarta measured with Williamson index.

East Java Province has index number Williamson higher than DIYogyakarta province. It is indicating that East Java has the highest regional inequality. In East Java Province, variable investment and agglomeration have a weak relationship, where as step of unemployment have a strong relationship. In DI Yogyakarta, variable investment ,agglomeration and unemployment have a weak relationship with regional inequality

Keywords: Regional inequality, Williamson Index, Pearson Correlation, Investment, Agglomeration, and Unemployment.