

ABSTRACT

Income inequality among people is one of the problems of development , especially in developing countries . Overall, the economic growth experienced by the Province of Central Java in the period 2001-2010 followed by a rise in the value of income inequality measured by the Gini coefficient value . This study aims to analyze the influence of economic growth , the contribution of the industrial sector and the agricultural sector's contribution to the region and the characteristics of income inequality in Central Java province in the period 2001-2010 . This study used secondary data obtained from the Central Statistics Agency (BPS) in Central Java province . The method used for this study is the regression model of panel data using random effects to see the effect of each independent variable on income inequality .

Based on the results of the regression , variable economic growth has positive and statistically significant to the variable of income inequality . Variable contribution of the industrial sector and the agricultural sector variable has negative and statistically significant to the variable income inequality . While the characteristics of the variable regions were not statistically significant .

Keywords : income inequality , economic growth , the contribution of the industrial sector , the contribution of the agricultural sector , the characteristics of the region , Central Java .