

ABSTRACT

Kuznets hypothesis states that there is a relationship between economic growth and income inequality. In the short term have a positive relationship, but in the long run have a negative relationship. Several studies support this hypothesis, but some are showing the opposite results. There is a research gap on the relationship between economic growth and income inequality. Higher economic growth and accompanied by rising income inequality and inequality between sectors is also an issue that needs to be studied more in depth.

This study aims to analyze the growth, income inequality, inequality and the sector is a strategic sector of the potential in the region and the administrative center of the surrounding Central Java, namely Kendal, Demak, Semarang (Unggaran), Semarang, Salatiga and Grobogan (Purwodadi), known as Kedung Sepur region. Results of the analysis are expected to provide an overview / snapshot area based classification according to economic growth, inequality, and base sector, so that it can be used as a basis in determining the regional development policy.

The results showed a different pattern of relationship between economic growth and income inequality in the Kedung Sepur region. There is a positive relation at one time, but yet at other times there is also a negative correlation. Location Quotient Analysis of the results showed that there are a base sectors in each district / city in the Kedung Sepur region. Typology analysis shows regional classification according to several variables. Semarang city categorized by areas of high economic growth above the average and the higher the inequality above average. Salatiga is categorized as a low-growth areas below average and high income inequality above average. While the Semarang District (Unggaran), Kendal, Demak and Grobogan (Purwodadi) entered the category of areas with low economic growth below average and low income inequality below average.

Keywords: typology, economic growth, inequality, base sector