

ABSTRACT

The economic growth that has been achieved is not able to overcome the problems that arise due to the uneven development of its region. Then the agglomeration of industry and agriculture concentrated in certain areas can cause regional inequality in the districts/cities in East Java Province. The aims of this study is to analyze: 1) measure the level of inequality in the districts/cities in East Java in 2016-2019; 2) the influence of industrial agglomeration, agricultural agglomeration, GRDP per capita and investment on the level of inequality in regencies/cities in East Java in 2016-2019.

This research is a quantitative study using secondary data from publications. The analytical method used is the *Williamson Index* and Panel Data Regression Analysis with the *Fixed Effect Model* (FEM) method in the 2016-2019 research period in the districts/cities of East Java.

The results of the analysis based on the *Williamson Index* show that the regional inequality of districts/cities in East Java Province is low and tends to fluctuate. Based on the results of panel data regression analysis, variables agglomeration industrial, agricultural agglomeration and investment have a negative and insignificant effect, while the GRDP per capita variable has a positive and significant influence on Regional Inequality in Districts/Cities in East Java Province. So it can be concluded that simultaneously agglomeration of industry and agriculture, GRDP per capita and investment have a significant effect on the Regional Inequality of Districts/Cities in East Java Province in 2016-2019.

Keywords : Regional inequality, *Williamson index*, industrial and agricultural agglomeration, GRDP per capita, investment