

## ABSTRACT

This study aims to analyze the inequality of economic development in Central Java Province in the period 1981 to 2005 and identify the factors that significantly influence the inequality. The data used by the researcher is secondary data consisting of time series data from 1981 to 2005 obtained from the Office of Statistics, the Office of the Investment Board and BAPPEDA of Central Java Province. The results of this study conclude that the inequality of economic development in Central Java Province as measured by the Williamson Index in the period 1981 to 2005 tends to increase relatively. Based on the calculation, it is known that the return on private investment per capita (X1) shows a t count of -2,362, the labor force ratio variable (X2) shows a t count of -2.128, the variable allocation of development funds per capita (X3) shows a t count of 7.184 with a smaller significance figure. 0.05, it can be concluded that the independent variables partially and significantly affect the inequality of economic development in Central Java Province. The calculated F value is 1.899, with a significance number of 0.000 ( $0.000 < 0.05$ ) so it can be concluded that the three independent variables, namely private investment per capita, the labor force ratio, and the allocation of development funds per capita together have an effect on the inequality of economic development in the Province. Central Java. Inequality of economic development in Central Java Province can be explained by variations of the three independent variables, namely private investment per capita, labor force ratio, and allocation of development funds per capita of 93.7 percent while the remaining 6.3 percent is explained by other factors outside the model.