

ABSTRACT

ANALYSIS OF DETERMINANTS OF INCOME INEQUALITY IN 34 PROVINCES IN INDONESIA 2018-2023

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This study aims to analyze the effect of poverty, foreign investment, provincial minimum wages, gross regional domestic product, and open unemployment rates on income inequality in 34 provinces in Indonesia in 2018-2023. The data used in this study are secondary data and the method used is panel data regression analysis with the help of the Eviews 12 program. The results of the study indicate that partially the provincial minimum wage has a negative and significant effect, foreign investment and gross regional domestic product have a positive and significant effect, while the open unemployment rate and poverty have no effect on income inequality, and together poverty, foreign investment, provincial minimum wages, gross regional domestic product, and open unemployment rates affect income inequality. The results of the study indicate that gross regional domestic product increases income inequality, while foreign investment and provincial minimum wages are able to reduce it, so that economic growth policies need to be accompanied by equal distribution of income. The government also needs to encourage foreign investment and set a decent provincial minimum wage to reduce inequality. Although poverty and open unemployment rates are not significant, both still need to be considered because they can worsen inequality in the long term.

Keywords: *Income Inequality, Poverty, Foreign Investment, Provincial Minimum Wage, GRDP, and Open Unemployment Rate*

ABSTRAK

ANALISIS DETERMINAN KETIMPANGAN PENDAPATAN DI 34 PROVINSI DI INDONESIA TAHUN 2018-2023

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Penelitian ini bertujuan untuk menganalisis pengaruh kemiskinan, penanaman modal asing, upah minimum provinsi, produk domestik regional bruto, dan tingkat pengangguran terbuka terhadap ketimpangan pendapatan di 34 provinsi di Indonesia tahun 2018-2023. Data yang digunakan dalam penelitian ini adalah data sekunder dan metode yang digunakan yaitu analisis regresi data panel dengan bantuan program *Eviews 12*. Hasil penelitian menunjukkan bahwa secara parsial upah minimum provinsi berpengaruh negatif dan signifikan, penanaman modal asing dan produk domestik regional bruto berpengaruh positif dan signifikan, sedangkan tingkat pengangguran terbuka dan kemiskinan tidak memiliki pengaruh terhadap ketimpangan pendapatan, dan secara bersama-sama kemiskinan, penanaman modal asing, upah minimum provinsi, produk domestik regional bruto, dan tingkat pengangguran terbuka berpengaruh terhadap ketimpangan pendapatan. Hasil penelitian menunjukkan bahwa produk domestik regional bruto meningkatkan ketimpangan pendapatan, sementara penanaman modal asing dan upah minimum provinsi mampu menurunkannya, sehingga kebijakan pertumbuhan ekonomi perlu dibarengi dengan pemerataan distribusi pendapatan. Pemerintah juga perlu mendorong investasi asing dan menetapkan upah minimum provinsi yang layak guna mengurangi ketimpangan. Meskipun kemiskinan dan tingkat pengangguran terbuka tidak signifikan, keduanya tetap perlu diperhatikan karena dapat memperburuk ketimpangan dalam jangka panjang.

Kata Kunci: Ketimpangan Pendapatan, Kemiskinan, Penanaman Modal Asing, Upah Minimum Provinsi, PDRB, dan Tingkat Pengangguran terbuka