

ABSTRACT

ANALYSIS OF FACTORS INFLUENCING INCOME INEQUALITY (Case Study on 8 Provinces with the Highest Inequality Rate in Indonesia in 2015-2024)

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This study aims to determine the influence of primary sector contributions, secondary sector contributions, tertiary sector contributions, provincial minimum wages, and average length of school in the eight provinces with the highest inequality in Indonesia, namely Yogyakarta Province, DKI Jakarta, West Java, Gorontalo, West Papua, Papua, South Sulawesi, Southeast Sulawesi in 2015-2024 both partially and simultaneously. This study uses secondary data sourced from the Central Statistics Agency. This study uses a quantitative method in the form of panel data which is a combination of time-series data and cross section data. The data was processed using EViews 12. The results of this study show that the contribution of the primary sector, the contribution of the secondary sector, and the contribution of the tertiary sector have a significant positive effect while the average length of school has a significant negative effect and the provincial minimum wage does not have a significant effect on income inequality in the eight provinces with the highest level of inequality in Indonesia in 2015-2024. Together, the contribution of the primary sector, the contribution of the secondary sector, the contribution of the tertiary sector, the provincial minimum wage, and the average length of schooling have a significant effect on income inequality in the eight provinces with the highest level of inequality in Indonesia in 2015-2024.

Keywords: *primary sector contribution, secondary sector contribution, tertiary sector contribution, provincial minimum wage, and average school age*