

ABSTRACT

Munawaroh Desty Anggraeni, The Effects of Financial Development on Income Inequality in East Java Province. Under the advisory of Ris Yuwono Yudo Nugroho, S.E., M.Si

The research objectives are: (1) determine the effect of financial development on income inequality in East Java Province, (2) determine the effect of regional characteristics on income inequality in East Java Province.

The study uses descriptive quantitative methods. Whereas, the analysis technique uses panel data regression method with time series start from 2013 to 2017 and cross sections of 38 districts/cities in East Java Province.

The results of the study are as follows: (1) financial development has a negative and significant effect on income inequality in East Java Province, (2) Regional income and expenditure budget (APBD) has a positive and significant effect on income inequality in East Java Province, (3) Population density has a positive and significant effect on income inequality in East Java Province, (4) Poverty has a positive and significant effect on income inequality in East Java Province, and (5) Unemployment has no influence and is not significant on income inequality in East Java Province.

Keywords: Income Inequality, Financial Development, Panel

ABSTRAK

Munawaroh Desty Anggraeni, Pengaruh Pengembangan Sektor Keuangan Terhadap Ketimpangan Pendapatan di Provinsi Jawa Timur. Dibawah bimbingan Ris Yuwono Yudo Nugroho, S.E., M.Si.

Tujuan penelitian adalah: (1) mengetahui pengaruh pengembangan sektor keuangan terhadap ketimpangan pendapatan di Provinsi Jawa Timur, (2) mengetahui pengaruh karakteristik wilayah terhadap ketimpangan pendapatan di Provinsi Jawa Timur.

Penelitian menggunakan metode kuantitatif deskriptif. Sedangkan, teknik analisis menggunakan regresi data panel dengan *time series* mulai tahun 2013 sampai 2017 dan *cross section* sebanyak 38 kabupaten/kota di Provinsi Jawa Timur.

Hasil penelitian adalah sebagai berikut: (1) Pengembangan sektor keuangan berpengaruh negatif dan signifikan terhadap ketimpangan pendapatan di Provinsi Jawa Timur, (2) APBD berpengaruh positif dan signifikan terhadap ketimpangan pendapatan di Provinsi Jawa Timur, (3) Kepadatan penduduk berpengaruh positif dan signifikan terhadap ketimpangan pendapatan di Provinsi Jawa Timur, (4) Kemiskinan berpengaruh positif dan signifikan terhadap ketimpangan pendapatan di Provinsi Jawa Timur, dan (5) Pengangguran tidak memiliki pengaruh dan tidak signifikan terhadap ketimpangan pendapatan di Provinsi Jawa Timur.

Kata kunci: ketimpangan pendapatan, pengembangan sektor keuangan, panel