

CHAPTER V CONCLUSION AND IMPLICATION

A. Conclusion

Based on the regression results and discussion of the influence of GDRP per capita, Investment, HDI, TPT, it can be concluded that:

1. Simultaneously, the variables of GDRP per capita, Investment, HDI, and TPT have a significant effect on inter-regional income inequality in the Regency / City of Central Java Province, 2010-2021. Meanwhile, the partial effects of the independent variables on the dependent variable in this study are as follows:
 - a. The GDRP per capita variable partially has a positive and significant effect on income inequality between regions in Central Java Province, 2010-2021.
 - b. The investment variable has no effect on inter-regional income inequality in Central Java Province, 2010-2021.
 - c. The Human Development Index (HDI) variable partially has a negative and significant effect on income inequality between regions in Central Java Province, 2010-2021.
 - d. The Open Unemployment Rate (TPT) variable partially has a positive and significant effect on income inequality between regions in Central Java Province, 2010-2021

B. Implications

There are several implications that can be drawn from the analysis of the survey data and the collected data, as listed below:

1. The results show that the GRDP per capita variable has a significant positive effect on inter-regional income inequality in Central Java Province. This indicates that in order to reduce income inequality between regions, the Central Java Provincial Government needs to develop policies that focus on reducing income inequality between regions that are not only focused on economic growth but can include regional economic empowerment programs, increasing access to education and training, and developing potential economic sectors in underdeveloped areas to create economic inclusiveness in accordance with the intent of economic development.
2. Although the investment variable is not statistically significant through the research results, this study found a positive influence of the investment variable on inter-regional income inequality in Central Java Province. This suggests that although investment can have a positive impact on overall economic growth, the government needs to strengthen coordination with local governments in allocating investment fairly and equitably. In addition, it is also important to encourage investment in regions that have low income levels to encourage inclusive economic growth.
3. This study shows that increasing the Human Development Index (HDI) has the potential to reduce inter-regional income inequality in Central Java Province. This indicates the importance of focusing on the development of human

resources, education, and health in an effort to reduce income inequality for policy makers, which can be done through increasing access to quality education, improving health services, and developing infrastructure that supports the improvement of people's quality of life.

4. The Open Unemployment Rate (TPT) variable in this study found that there is a positive relationship between the open unemployment rate (TPT) and inter-regional income inequality in Central Java Province. High levels of unemployment can worsen income inequality and hamper inclusive economic growth. The government needs to focus on job creation that can reduce the open unemployment rate in all regions. Skills training programs, support for micro and small enterprises, and the development of labor-intensive sectors can help reduce unemployment and improve income inequality between regions

C. Research Limitations

1. This study only focused on Central Java Province, so the generalization of the results of this study is limited to that region. The results obtained may not be directly applicable to other provinces or regions with different characteristics. For generalization purposes, suggestions for future researchers can expand the geographical scope of the research to include more than one province or region. This will help in gaining a more comprehensive understanding of the factors affecting inter-regional income inequality at the national or regional level.
2. This study only uses four independent variables, namely GDRP per capita, investment, open unemployment rate, and human development index (HDI). There is a possibility that other factors not included in this study may affect

inter-regional income inequality in Central Java Province. Suggestions for future research might consider contextual factors such as local government policies, demographic aspects, or socio-cultural conditions that could have a significant influence on income inequality, but are not discussed in this study.

3. This study only limited to longitudinal (time-series) data from 2010-2021. This limitation restricts the ability to examine changes or trends over time and draw causal relationships. Future research could consider collecting data over an extended period to provide a longitudinal perspective, By considering the longer longitudinal perspective, researchers can better understand the causal mechanisms underlying inter-regional income inequality allowing for a deeper understanding of the dynamics and patterns of inter-regional income inequality in Central Java Province.

