ABSTRACT

ANALYSIS OF ECONOMIC GROWTH AND INCOME INEQUALITY IN METRO CITY 2004-2011

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With the increasing economic growth is expected to be able to reduce the level of income inequality in Metro City in 2006-2012, on the basis of that, the author takes a problem as follows: "do with an increase in economic growth would reduce income inequality in Metro City 2004-2011?. The hypothesis of this research is "suspected of having negative economic growth of income inequality in Metro City." Analysis tools are used to prove the hypothesis that the correlation coefficient is simple.

Based on the calculation of economic growth with this model, we can see that the economic growth rate highest in Metro City in 2005, amounting to 8.69 percent, while the rate of economic growth of the lowest in Metro City in 2004, amounting to 4.67 percent. The rate of economic growth declined in 2006 by 5.70 percent. due to lower capital expenditures in Metro City, and increased again in the following year it is the year 2007 amounted to 6.24 percent. After that, it decreased in the period of 2008 amounted to 5.21 percent, and continued to increase relatively stable in the following period the year 2009-2011.

From the analysis using SPSS software version 17 above, obtained p-value (sig.) = 0.011 <α (0.05), it can be concluded to reject H0 or there is a linear relationship between inequality and economic growth. The magnitude of the relationship (correlation) between inequality and economic growth of -0830. This means there is a linear relationship between inequality and economic growth. While the negative sign means that the relations are negative or greater inequality in society resulting in the smaller economic growth.

Keywords: GDP, Per capita income, income distribution Metro City.