

ABSTRACT

Economic growth is an indicator to measure the economic success of a region. In order for economic growth in East Java Province to increase, it is important to analyze the factors that influence economic growth. This study aim to analyze the effect of population, unemployment and the Human Development Index (HDI) on economic growth in East Java Province in 2018-2021. The independent variables in this research are Gross Fixed Capital Formation, Population, Unemployment and Human Development Index (HDI).

The data used is secondary data obtained from the Badan Pusat Statistik (BPS) of East Java Province. The method used in this study is multiple linear regression analysis in the form of panel data. Panel data is a combination of time series and cross section. The time series data used is 2018-2021. The cross section data used are 38 regencies/cities in East Java Province.

This study used the FEM (Fixed Effect Model) which was selected based on the Chow test and Hausman test. The results of this study indicate that population size has no effect on economic growth. Unemployment has a negative and significant effect on economic growth. The Human Development Index (HDI) has a positive and significant effect on economic growth.

This research uses the FEM (fixed effect model) which was selected based on the Chow test and Hausman test. The results of this research show that Gross Fixed Capital Formation has a positive and significant effect on economic growth, population has a positive and significant effect on economic growth. Unemployment has a negative and significant effect on economic growth. The Human Development Index (HDI) has a positive and significant effect on economic growth. Then, gross fixed capital formation, population, unemployment and the Human Development Index (HDI) simultaneously have a significant effect on economic growth.

Keyword: Gross Fixed Capital Formation, Population, Unemployment, Human Development Index (HDI) and Economic growth.