

ABSTRACT

Economic growth is one of the important indicators to analyze a national development that occurs in a country or region. This can be seen from the increase in Gross Regional Domestic Product (GRDP) and its relationship with the level of regional independence and the quality of human resources in a region. West Java Province has a GRDP rate that is still fluctuating, and is in the 2nd lowest position compared to 6 other provinces on the island of Java. The purpose of this study was to determine the effect of investment variables, PAD, labor, and HDI on GRDP of 27 districts/cities in West Java Province in 2015 – 2019.

This study aims to analyze the effect of Investment, Regional Original Income (PAD), Labor, and Human Development Index (IPM) on Economic Growth in 27 Regency/City of West Java Province in 2015 – 2019. This study uses secondary data sourced from the Central Agency Statistics (BPS) and the Investment Coordinating Board (BKPM), with cross-sectional data consisting of 18 Regencies and 9 Cities in West Java Province and time-series data from 2015 – 2019. The analytical method used is panel data regression with Fixed Effect Models (FEM).

The results of the study show that there is a positive (simultaneous) effect between Economic Growth and PAD, Labor, and HDI, while investment has a negative effect on the Economic Growth of 27 Regencies/Cities in West Java Province in 2015 – 2019. While partially, the PAD variable and HDI have a positive and significant effect on economic growth, but the investment and labor variables do not have a significant effect on the economic growth of 27 regencies/cities in West Java Province in 2015 – 2019.

Keywords: Growth, Investment, Local Own-source Revenue (PAD), Labor, Human Development Index (HDI), Fixed Effect Model (FEM)