

ABSTRACT

This study aims to identify the key factors influencing inclusive growth in Eastern Indonesia using panel data at the district/city level from 2018 to 2022. The inclusive growth determinants is based on economic growth theory, with inclusive growth measured through the Poverty-Equivalent Growth Rate (PEGR) approach. The results of the geographically weighted panel regression analysis reveal that capital expenditure and democratic systems play a significant positive role in driving inclusive growth across most of Eastern Indonesia. Additionally, labor force participation and education levels contribute positively, although their impact is more limited to specific regions. Conversely, the financial performance of local governments appears to hinder the achievement of inclusive growth. These findings highlight the importance of a spatially-based approach in formulating development policies, emphasizing that policies tailored to the local context of each region will be more effective in fostering inclusive and sustainable growth.

Keywords: *GWPR, Spatial Heterogeneity, Inclusive Growth, East Indonesia Region*

