

## **ABSTRACT**

*Through Central Java Provincial Regulation No. 21 of 2013 concerning "Central Java Provincial Spatial Plan", the Provincial Government established an inter-regional cooperation area aimed at increasing economic growth. Among several cooperation areas in the Central Java region, KEDUNGSEPUR is a certain area contained in the National Spatial Planning (RTRWN). Thus the KEDUNGSEPUR area is planned as the center of national growth. Therefore, regional cooperation in the KEDUNGSEPUR Region is very much needed in order to increase greater competitiveness so that it can trigger national economic growth. The purpose of this study was to determine the spatial interaction between the growth center and the surrounding area, the spillover effect of growth given by the growth center, as well as the influence of government spending, investment, labor and the spillover effect of Semarang City's economic growth as a growth center on economic growth in the area behind it. period 2010 – 2019.*

*This study uses the method of gravity analysis and the formula proposed by Capello to determine the level of interaction between growth centers and the effect of growth spillovers given by the city of Semarang as a growth center to the area behind it. Then this study also uses OLS regression analysis to determine the effect of government spending, investment, labor and the spillover effect of Semarang City's economic growth as the center of growth on the economic growth of the region behind it in 2010 - 2019. These aspects are analyzed based on indicators that affect growth. economics based on several theories and previous studies. The object of research consists of 6 cities / districts in the KEDUNGSEPUR Cooperation Area which consists of Demak Regency, Kendal Regency, Semarang Regency, Salatiga City, Grobogan Regency and Semarang City as the center of growth..*

*The results showed that in the period 2010 – 2019 the highest spatial interaction and the most abundant growth spillover effect occurred between the growth center and Semarang Regency. OLS regression results show that the variables of government expenditure, investment, labor and growth spillover effects simultaneously affect economic growth, partially government expenditure variables and growth spillover effects simultaneously affect economic growth in a positive direction, while investment and labor variables do not have significant influence.*

*Keywords: Growth Spillover Effect, Economic Growth, Spatial Interaction, Growth Pole, Gravity Model, Panel Data Regression.*