

ABSTRACT

Increasing a region's economy requires infrastructure, and a sector's growth will follow land availability. It will affect the reduction of land in other sectors, such as reduced agricultural land due to infrastructure development. Agricultural land in Central Java Province provides a high contribution to the economy in Central Java Province. This study aimed to determine the effect of agricultural land, labor, fertilizer, farmers' exchange rates, and government spending on economic growth in the agricultural sector in Central Java Province.

The variables in this study are agricultural land, labor in the agricultural sector, fertilizers, farmers' exchange rates, and government spending in the agricultural sector. This study uses panel data regression, using data from 29 districts in Central Java province from 2010 to 2017.

The results of the study using panel data regression analysis with a fixed effect model with Cross section Weight- Cross Section SUR (PSCE) showed that land area had no significant effect on GRDP in the agricultural sector, labor in the agricultural sector, and farmer exchange rates had a negative and significant impact on GRDP in the agricultural sector. Fertilizer and government expenditure variables have a positive and significant impact on the GRDP of the agricultural sector.

Keywords: Agricultural GRDP, Agricultural land, Labor, Farmers' exchange rate, fertilizer, government spending