

ABSTRACT

Infrastructure development is an important factor for economic development. Good infrastructure will promote economic efficiency, facilitate the movement of goods and services, and also act as a driving factor for regional productivity. The aim of regional economic development is to increase economic growth that is evenly distributed among regions. This study aims to analyze the influence of road infrastructure, electricity, telecommunications, airports and the contribution of the manufacturing industry to economic inequality between regions (provinces) in Indonesia.

The method used in this study is Panel Data Regression Analysis with the Fixed Effect Model (FEM) method with a research time of 2015-2019 between regions of Indonesia. While the data used is at the provincial level.

The results of the regression analysis show that road infrastructure has a positive but not significant effect, electricity, telecommunication and airport infrastructure has a negative and significant effect, while the contribution of the manufacturing industry has a negative but not significant effect on the inequality of economic development between provinces in Indonesia in 2015-2019.

Keywords: infrastructure development, inequality between regions, panel data regression, fixed effect model (FEM)