

ABSTRACT

The success of the development of a region can be measured through the economic growth in that region. Economic growth is a long-term increase in a country's capacity to provide a greater variety of economic goods to its population (Kuznets, 2011). The economic growth in Central Java Province during the period of 2015-2019 was always higher than the national economic growth, but when compared to other provinces on the island of Java, Central Java Province still lags behind.

The objective of this study is to analyze the influence of the human development index, domestic investment, labor, and unemployment on the economic growth of 35 districts/cities in Central Java Province during the period of 2015-2019. This research uses panel data regression analysis through the Fixed Effect Model (FEM) approach with the Generalized Least Square (GLS) method.

The partial results of the research indicate that the variables of the human development index and labor have a positive and significant impact on economic growth. The unemployment variable has a negative and significant impact on economic growth, while the domestic investment variable has a positive but insignificant impact on economic growth in the districts/cities of Central Java. However, when considered simultaneously, the variables of the human development index, domestic investment, labor, and unemployment collectively have a significant impact on the economic growth of the districts/cities in Central Java.

Keywords: *economic growth, human development index, domestic investment, labor, unemployment.*