

ABSTRACT

Economic Growth is an important indicator to determining the welfare of regional or state development. Based on neo-classical theory, economic growth depends on the growth of production factors, namely labor, capital accumulation and technological progress. This research aims to determine the influence of human development, labor and savings indices on the economic growth of districts/cities in Central Java Province in 2017 – 2021.

This research uses panel data analysis with a multiple linear regression fixed effect model method. The data used in the research is secondary data obtained from BPS Central Java Province. The independent variables in this research are the human development index, labor force and savings. Meanwhile, the dependent variable is economic growth using GDP rate data for 35 districts/cities in Central Java Province for 2017 – 2021.

The research results show that partially the human development index variable has a positive and significant effect on economic growth, labor has no effect on economic growth, and savings has a negative and significant effect on economic growth. Simultaneously, the human development index, labor and savings variables influence the economic growth of districts/cities in Central Java Province in 2017 - 2021. The coefficient of determination or R^2 is 0,53 or 53%.

Keywords: Economic growth, human development index, labor, savings.