

ABSTRACT

According to Solow's growth theory, output growth can be achieved through three factors: capital, labor, and technology. Infrastructure as a form of capital is crucial in enhancing a region's economic productivity. High quality human resources can also support economic activity. Therefore, both economic and social infrastructure are important for supporting economic activities.

This research aims to analyze the impact of infrastructure on economic growth in East Java Province. The used data included regional GDP to 2010 constant price, distributed clean water, numbers of electricity customers, road length, number of high schools, and number of hospitals from 2018 to 2022. Data are processed by using regression analysis of panel data with fixed effect model method.

The result of the study indicates that distributed clean water, road length, and number of high schools positively have a significant effect on the economic growth. Number of hospitals negatively have a significant effect on the economic growth. Meanwhile, the number of electricity customers does not affect economic growth. The result of this study also shows that road length has the biggest impact on the economic growth of East Java Province.

Keywords: Infrastructure, Economic Growth, Regression on Panel Data