ABSTRACT

KEDUNGSEPUR area is one of national strategic areas in Central Java that focuses on increasing economic growth. Economic growth in strategic areas shows that the KEDUNGSEPUR area has a higher economic growth rate than Central Java Province. However, there is a gap in GRDP growth between districts/cities in the KEDUNGSEPUR region, with a striking difference between the highest and lowest growth. Even though many studies have discussed economic growth in various regions, there are still differences or gaps in research regarding the factors that theoretically influence economic growth. Therefore, further analysis is needed to identify aspects that influence economic growth. This research aims to determine the influence of industrial agglomeration, working workforce, population, and the Human Development Index (HDI) on the economic growth of districts/cities of the KEDUNGSEPUR region in 2012-2022.

This research applies panel data regression analysis with the Random Effect Model (REM) and applies a one-way hypothesis test (one-tail test). Using secondary data from BPS with a time series from 2012-2022 as well as data cross section of 6 districts/cities in KEDUNGSEPUR area. Economic growth serves as the dependent variable. Meanwhile, industrial agglomeration, working workforce, population, and HDI are independent variables.

Regression results using the REM approach indicate that partially industrial agglomeration not significant impact on economic growth. In addition, the working workforce, population and HDI have a positive and significant influence on economic growth. Simultaneously, industrial agglomeration, working workforce, population, and HDI influence the economic growth of the district/city of KEDUNGSEPUR area. This research produces a coefficient of determination (R2) of 96.71%. However, this research has limitations in the data for industrial agglomeration variables and the working workforce.

Keywords: Economic Growth, Industrial Agglomeration, Working Labor Force, Population, Human Development Index, KEDUNGSEPUR