

## **ABSTRACT**

*In the last two years, the economic growth rate of the Special Region of Yogyakarta Province has been the highest compared to other provinces on the island of Java. However, the level of disparity in per capita income between districts/cities in the region is still relatively high. This is due to differences in the availability of resources in each region. This study aims to analyze the extent of the growth spillover effect from the city of Yogyakarta on the economic growth of Sleman, Bantul, Gunungkidul, and Kulon Progo districts. In addition, this study also examines the effect of the growth spillover effect of the city of Yogyakarta, investment, and labor on the economic growth of districts in the Special Region of Yogyakarta Province.*

*The objects of this study are all regencies/cities in the Special Region of Yogyakarta Province, consisting of four regencies and one city. The type of data used is secondary data. The analysis methods used in this study are Capello's growth spillover effect model and panel data regression.*

*The results of the study show that the highest growth spillover effect was obtained by Sleman Regency. The panel data regression results show that the variables of growth spillover effect, investment, and labor simultaneously affect economic growth. Partially, the growth spillover effect variable has a positive and significant effect on the economic growth of regencies in DIY. Meanwhile, the investment variable partially has a positive but insignificant effect on the economic growth of regencies in DIY, and the labor variable partially has a negative and insignificant effect on the economic growth of regencies in DIY.*

*Keywords: Growth Spillover Effect, Economic Growth, Growth Center, Panel Data Regression.*

