

ABSTRACT

Infrastructure development has long been regarded as one of the main drivers of economic growth and poverty. The Trans-Java Toll Road, as a National Strategic Project, was constructed to strengthen interregional connectivity. This study aims to evaluate the impact of the Trans-Java Toll Road on regional economic growth and poverty reduction during the period 2010–2024. The analysis employs panel data from 100 regencies/cities and applies the Difference-in-Differences (DiD) method, with control variables including education, road length, democracy index, domestic investment, foreign investment, government expenditure, and population. Two models were estimated, using Gross Regional Domestic Product (GRDP) at constant prices and the poverty rate.

The findings indicate that the Trans-Java Toll Road has a positive and significant effect on economic growth, but its impact on poverty is positive yet insignificant, suggesting that infrastructure-driven growth has not fully contributed to inclusive welfare improvements. Control variables show that domestic investment and population have significant effects on economic growth, while the democracy index has a negative effect. Other variables such as education, road length, foreign investment, and government expenditure are not significant. In the poverty model, the democracy index and foreign investment are significant in reducing poverty, whereas education, road length, domestic investment, government expenditure, and population show no significant effects.

The study highlights that the Trans-Java Toll Road plays a strategic role in accelerating economic growth and strengthening interregional connectivity. However, its economic benefits have not yet fully contributed to poverty.

Keywords: Infrastructure Development, Trans-Java Toll Road, Economic Growth, Poverty, Difference-in-Differences (DiD), Regional Development.