

## **ABSTRACT**

*The study is motivated by the fact that Central Java consistently reports the lowest Gross Regional Domestic Product (PDRB) compared to its neighboring provinces, such as East Java, West Java, and Yogyakarta. This study aims to analyze the effects of government expenditure, investment, education, and household consumption expenditure on economic growth in Central Java Province during the period of 2000–2024.*

*A quantitative approach is employed, using fourteen years of time-series data. Economic growth is measured by PDRB at constant prices, government expenditure by regional budget realization, investment by the total of Foreign Direct Investment (PMA) and Domestic Direct Investment (PMDN), Education by average years of schooling, and household consumption by monthly per capita expenditure. Multiple linear regression analysis was conducted using SPSS.*

*The results show that, partially: Government expenditure has a positive and significant effect on economic growth. Education also shows a positive and significant effect. Household consumption expenditure contributes positively and significantly. Investment shows a positive but statistically insignificant effect. Simultaneously, all four independent variables have a positive and significant influence on economic growth, with an adjusted  $R^2$  of 45.2 %, indicating a strong explanatory power of the model. These findings align with the Solow-Swan exogenous growth theory and Keynesian economic theory. The insignificance of investment is likely due to lag effects and the allocation of capital into sectors with low multiplier effects, which limits its direct contribution to economic growth.*

*Keywords: Economic Growth, Government Expenditure, Investment, Education, Household Consumption.*

