ABSTRACT

Economic growth is an important indicator of the success of regional development, which is reflected in Gross Regional Domestic Product per Capita (PKAP). Differences in GRDP per Capita among provinces on Java Island indicate variations in economic activity, trade, investment, and labor absorption. This study aims to analyze the effects of Government Expenditure (PP), Net Exports (NEKS), and Labor Force (AK) on GRDP per Capita in six provinces on Java Island during the period 2012–2024.

This study employs a quantitative approach using secondary data obtained from Statistics Indonesia (BPS). Panel data regression analysis is used to examine the relationship between the independent variables and the dependent variable. Based on some series of model selection tests, the Fixed Effect Model (FEM) was selected as the most appropriate model for this study.

The results show that Government Expenditure, Net Exports, and Labor Force jointly have a significant effect on GRDP per Capita. Partially, Government Expenditure and Labor Force have a positive and significant impact on GRDP per Capita, while Net Exports exhibit a negative but statistically insignificant effect. These findings indicate that an increase in labor force participation and the optimization of government expenditure can contribute to improving GRDP per Capita in the six provinces of Java Island.

Keywords: *GRDP per Capita, Labor Force, Net Exports, Government Expenditure, Panel Data, Fixed Effect Model.*