ABSTRACT

Production process to produce output required input that is capital and labor according to the Cobb-Douglas production function. One form of capital is infrastructure. Increase labor productivity also need infrastructure as means of support. Therefore, the availability of infrastructures important to boost the economy. The availability of infrastructure became an important demand in running the economic wheel of an area.

This research aims to analyze the impact of infrastructure on a regional GDP of Central Java and to analyze which infrastructure has the biggest impact. The used data included regional GDP to 2010 constant price, channeled water, amount of electricity customers, amount of school, amount of hospitals and the length of road. Data are processed by using regression analysis of panel data with common effect model method. The result of this study shows channeled water, amount of electricity customers, amount of school, amount of hospitals and the length of road have affect significantly to regional GDP of Central Java.

Keywords: Infrastructure, Regional GDP, Regression on Data Panel