

ABSTRACT

The economic growth of Central Java Province during 2009-2013 tends to fluctuated and it was lower than other provinces in Java Island. Conceptually, economic growth can be driven by certain sources. This research aims to analyse the influence of investment, labour, and education level to economic growth in Central Java Province. The method used in this research is Fixed Effect Model Least Square Dummy Variable (FEM-LSDV), with time series data from 2009-2013 including cross section data of 35 regency/city. The results show that investment, labor, and education level have positive and significant influence toward economic growth of Central Java Province. A higher of investment realization, the number of labor, and education level will drive a higher level of economic growth in Central Java Province.

Keywords: Economic Growth, Investment, Labor, Education Level, FEM-LSDV