ABSTRACT

   Economic growth is often use as an indicators of the successful development of a region. Achievement of high economic growth is one of the main objectives of macroeconomic policy. To determine the rate of economic growth that achieved by a region can be known through the Gross Domestic Product of Region (GDPR). GDPR of Salatiga City has a relatively low value among the districts / cities in the province of Central Java. The amount of GDPR of Salatiga City is influenced by several factors, among others: the amount of labor to encourage increased economic activity through the production of goods and services, level of education as investment in human resources (human capital investment) that can support economic growth, and PAD which is a pure source of local revenue as the main capital financing the implementation of regional development.

   This study aims to analyze the influence of labor, education level, and PAD toward GDPR of Salatiga City by using the time series data for 20 years from 1990 to 2009. The analysis uses multiple linear regression model with a simple least squares method or the Ordinary Least Squares (OLS) with transformation in the form of logarithmic. The results of data analysis indicate that the variable labor, educational level, and PAD are influence GDPR of Salatiga City.

Keyword : Gross Domestic Product of Regional (GDPR), labor force, education level, PAD.