ABSTRACT

Transport infrastructure has an important role in economic life, industry, and any economic growth. The development of transport infrastructure in Indonesia has been going on for a long time and is a substantial investment. The problem discussed in this study was how to transport infrastructures such as roads, railways, airways, and ports has an influence significant to output represented by variable per capita income (GRDP). Then by knowing the contribution of transport infrastructure to the growth of per capita income (GRDP).

The data employed in this study are panel data from 2012 to 2018 of all provinces in Indonesia. Data gathered from the Central Statistics Agency of all provinces and nation, various published and unpublished documents from different government offices such as the Indonesia database office, world bank, transportation offices. The regression analysis in this study carried out by using EViews. The regression test for panels such as the Chow Test and Hausman Test so that it has improved the effect panel data model for complete data with characteristics as above. Then assumptions test such as Multicollinearity Classical, Heteroscedasticity, and Autocorrelation.

The results of the study show that port and investment variables have a significant effect on economic growth, and other variable roads, railways, airways, education, and expenditure has an insignificant effect on economic growth in Indonesia from 2012 to 2018. Further Together, all fiscal decentralization policy variables(Railways, Roads, Airways, Ports, Investment, education, and expenditure)have a significant simultaneous effect on economic growth in Indonesia at a 95 percent confidence level.

Keywords: Transport infrastructure, economic growth, Panel data, Indonesia