

ABSTRACT

As a province with the third highest contributor to GRDP, disparities in per capita income between regencies / cities in West Java Province are still quite high. The disparity arises because of differences in the availability of resources owned by each region. Because of these differences there will be areas that grow quickly and grow slowly. Therefore, it is expected that spillover effects can occur from regions that grow rapidly to slower areas.

The purpose of this study is to determine the spatial interaction between the growth center and the surrounding area, the effect of the abundance of growth given by the growth center, and the effect of investment and labor on the economic growth. The object of this research is all regencies / cities in West Java Province consisting of 17 districts and 7 cities. The type of data used is secondary data. The analytical methods used in this study are the gravity model, the Capello growth overflow effect model, and panel data regression.

The results showed that the highest spatial interaction occurred between the growth center and Bandung Regency, and the highest growth abundance effect was obtained by Bandung Regency. Panel data regression results show that investment and labor variables simultaneously affect economic growth, partially investment variables affect economic growth with a negative correlation, while the labor variable partially has a positive effect on economic growth but is not significant.

Keywords: Spillover Effect, Economic Growth, Spatial Interaction, Growth Pole, Gravity Model, disparities, panel data regression.