

ABSTRACT

Infrastructure development in Indonesia has been going on for a long time and at a fairly large cost. The contribution of infrastructure development is quite significant in increasing economic growth, but there are still problems faced by our country, especially regarding weak planning, insufficient quantity, and relatively low quality of infrastructure.

This study aims to determine the influence and contribution of economic and social infrastructure to economic growth in Indonesia, which is represented by Gross Regional Domestic Product per capita in order to determine the direction of government policies in infrastructure development in Indonesia.

Panel data regression analysis is used to see the magnitude of the influence of infrastructure on economic growth in Indonesia. The infrastructure studied includes: length of roads, distributed electricity, clean water that is distributed, health described by Life Expectancy (AHH), and education described by the Average Length of School (RLS). The analysis was carried out using panel data with a random effect model in 34 provinces in Indonesia and over a period of 5 years (2015-2019).

The results obtained are that two independent variables have a significant effect on economic growth, namely roads and education, while the three other variables do not have a significant effect, namely electricity, clean water, and health.

Keywords: Economic Infrastructure, Social Infrastructure, Economic Growth, Panel Data