

ABSTRACT

THE EFFECT OF GOVERNMENT EXPENDITURE, DOMESTIC INVESTMENT (PMDN) AND LABOR ON PROVINCIAL GRDP IN INDONESIAN

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Guide I: Apip Supriadi

Guide II: Encang Kadarisman

The success rate of regional development can be seen from the development of economic indicators, namely economic growth as measured by Gross Regional Domestic Product (GRDP). To be able to increase GRDP growth there are many factors. In this study, factors affecting GRDP growth include government expenditure, Domestic Investment (PMDN) and labor. The purpose of this study is to determine how the effect of government expenditure, Domestic Investment (PMDN) and labor partially and simultaneously on provincial GRDP in Indonesian. This study used quantitative methods with secondary data obtained through the Badan Pusat Statistik (BPS). The data analysis technique used is panel data regression. The data used are 34 provinces Indonesia in 2016-2021. The model used is the Fixed Effect Model (FEM). The regression results show that part of government expenditure and Domestic Investment (PMDN) have a positive and significant effect on GRDP in every province in Indonesian in 2016-2021. Meanwhile, labor has a negative but significant effect on GRDP in every province in Indonesian in 2016-2021. Simultaneously, government expenditure, Domestic Investment (PMDN), labor can be concluded to have a significant influence.

Keywords: *GRDP, Government Expenditure, Domestic Investment (PMDN) and Labor.*