ABSTRACT

CONVERGENCE ANALYSIS OF REGIONAL GROSS DOMESTIC PRODUCT BETWEEN BANDAR LAMPUNG AND METRO

By

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The purpose of this study was to measure the income sigma convergence and beta convergence measure to determine the factors that affect the convergence of income among the city of Bandar Lampung and Metro City consisting of absolute convergence and conditional convergence. This research method using secondary data in the form of panel data, used analysis tools sigma convergence and beta convergence consisting of absolute convergence and conditional convergence.

The results showed that there was no absolute convergence, it is proved that the level of income of low-income town does not grow faster in high-income city compare. Conditional convergence results indicate that the initial variable income, human capital, labor, positive effect on income (GDP), which means consistent with the hypothesis. While the population variable negative effect on income (GDP) and in accordance with the hypothesis. Initial income and population variables significant effect on earnings, whereas the variable of human capital and labor has no significant effect. Absolute convergence speed is 4.20% per year and conditional convergence of 28.94% per year. The time required to close half of the initial gap between the city of Bandar Lampung City Metro for 16 years.

Keywords: Convergence Analysis, Gross Domestic Product