

## **ABSTRACT**

### **AN ANALYSIS OF CORRELATION AMONG REGIONAL REAL INCOME, INVESTMENT, AND LABOR OF GDPR LAMPUNG PROVINCE IN YEAR OF 1990 - 2009**

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Development is the process to change continuously and effort to improve the welfare of the society. Results of development can be measured by using indicators of the amount of products during a certain period. Excavation of own resources should be optimized to be used as input of autonomous regional economic development. Decentralization of power in order to increase the ability of regions to optimize local resources is expected to push forward the development of each area. Hopefully, it will have a final goal to improve the welfare of society at local and national level.

Data that used in this study are annual data from 1990 until 2009. The dependent variable in this study is the Gross Regional Domestic Product, while the independent variables are local revenues, investment and labor. Along with the problem and purpose in this research, this study used statistical methods by using the equation Pearson product moment correlation coefficient.

Based on the results of Pearson correlation coefficient calculation, the revenue will have a significant positive relationship with Gross Regional Domestic Product of Lampung Province. In line with the pattern of relationships, investments have a significant positive relationship with gross regional domestic product of Lampung province. In line with the pattern of relations, labor has significant positive relationship with gross regional domestic product. And, separately revenue has a significant positive relationship with investment, revenue will have a significant positive relationship with labor, and investments have a significant positive relationship with labor. Thus Labor is a major factor in promoting regional economic growth marked by the increase of GDPR.

The suggestion from this study includes: local government should create a very conducive investment climate by providing legal certainty, ease of licensing and infrastructure improvement and addition. In addition, increased capacity and labor skills are also needed very much considering the competition is increasingly globalized and as an effort to attract third parties to come to the area that has human resources who have high ability. Thus the GDP will increase so that the welfare of the society will be easily achieved