

V. CONCLUSIONS AND IMPLICATIONS

A. Conclusion

Based on the results of the research and discussion that has been carried out, the conclusions in this research are as follows:

1. Capital expenditure on equipment and machinery has no effect on economic growth in Central Java.
2. Capital expenditure on building and construction has no effect on economic growth in Central Java.
3. Capital expenditure on roads, irrigation and networks has an effect on economic growth in Central Java.
4. The labor force has an effect on economic growth in Central Java.
5. Capital expenditure on equipment and machinery, capital expenditure on buildings and constructions, capital expenditure on roads, irrigation and networks and labor force has a joint effect on economic growth in Central Java.

B. Implication

Based on the conclusion, the implications in this research are as follows:

1. It is important to allocate equipment and machinery capital expenditure budgets efficiently. Although the impact is not immediately apparent in the short term, these capital expenditures

can improve operational efficiency in certain sectors such as production capacity construction in the long term.

2. Careful planning is required in the construction of buildings and constructions. Although not directly impacting economic growth, government capital expenditure on buildings can create jobs and improve the quality of infrastructure.
3. Although capital expenditure on roads, irrigation, and networks does not affect economic growth, it is important to repair and maintain this infrastructure. The right strategy is needed to overcome obstacles that may arise, such as Covid-19.
4. Improve the quality of the workforce by improving human resources and creating jobs that match the potential of the existing workforce. Relevant training and education can help improve productivity and economic output.
5. To achieve optimal economic growth, it is necessary to continue to increase efforts in effective capital spending and optimal labor force management. This is expected to provide significant benefits to society as a whole.

C. Research Limitations

The limitations in this research are, first, data limitations on the effect of capital expenditure on equipment and machinery, capital expenditure on buildings and construction, capital expenditure on roads, irrigation and networks and the labor force, namely, there is data that has not been obtained

in the study so that Regency/City which has limited data is not included in the research sample. Second, the limitations of the research time, namely this study only uses six years from 2017 to 2022 because it is not long enough to observe in the long term the effect of capital expenditure and labor force on economic growth.

