ABSTRACT

Infrastructure is trigger for emerging economy growth. Nevertheless, every region has different relation between income and infrastructure. Bawean is an island area; it certainly has special relation between transportation infrastructure and income. Therefore, this paper proposes to find out influence of investment and impact of investment toward economy.

Relationship, which was got from multivariate linear regression, was used to detect causal relationship between dependent variable and independent variable with its influence to dependent variable. Time lag was analyzed to get amount of GDP incremental as result of investment in t year. The last analysis calculated impact of transportation infrastructure investment toward economy at Bawean.

After did some tests to first model, we had found that multicollinearity occurred so that influential variables were road and ship. Road infrastructure influenced 8.62 fold and ship infrastructure influenced 1.09 fold. GDP increased to 13% whereas income index of HDI (Human Development Index) decreased as consequence of increasing population growth. Transportation infrastructure investment in 2009 gave impact Rp. 2,434,042,683.50 for mining sector and Rp. 9,799,537,256.80 for transportation sector.

Key words: Transportation infrastructure investment, economic growth, impact of investment