

ANALYZING THE IMPACT OF GEI, HDI, GDP, MINIMUM WAGE OF PROVINCE ON FDI INDONESIA

By Ananditya Vito Suryafari

Limited and uneven capital availability across Indonesia's provinces hinders economic development. This study analyzes the impact of GDP per capita, minimum wage, HDI, and government effectiveness on FDI inflows from 2010 to 2023. Using the O-L-I paradigm and FDI Institutional Fitness framework, panel data regression is applied with FEM and being continued the Panel Corrected Standard Error (PCSE) model in Stata 17. Results indicate that GDP per capita and HDI positively influence FDI, while minimum wage has a negative effect. Government effectiveness shows no significant impact, suggesting institutional fitness alone may not drive foreign investment in Indonesia.

Keywords : *Foreign Direct Investment, HDI, Minimum Wage, Government effectiveness, GDP*

ANALISIS PENGARUH EFEKTIVITAS PEMERINTAH, IPM, UMP, PDB, TERHADAP FDI DI INDONESIA

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Keterbatasan dan ketimpangan ketersediaan modal di seluruh provinsi Indonesia menghambat pembangunan ekonomi. Studi ini menganalisis pengaruh PDB per kapita, upah minimum, IPM, dan efektivitas pemerintah terhadap arus masuk PMA selama periode 2010 hingga 2023. Dengan menggunakan paradigma O-L-I dan kerangka FDI Institutional Fitness, regresi data panel diterapkan melalui model Fix effect model dan dilanjutkan Panel Corrected Standard Error (PCSE) di Stata 17. Hasil penelitian menunjukkan bahwa PDB per kapita dan IPM berpengaruh positif terhadap PMA, sementara upah minimum memiliki pengaruh negatif. Efektivitas pemerintah tidak menunjukkan pengaruh yang signifikan, mengindikasikan bahwa kesiapan institusional saja belum cukup untuk mendorong investasi asing di Indonesia

Kata Kunci: PMA, PDB, IPM, Indeks Efektivitas Pemerintahan, Upah Minimum