ABSTRACT

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A Long-term economic developing in North Sumatera Province were gave economic and social enhancement for local sociaty. In other side, some economic obstacles that shown between regions likes human resources and capital resources was coused disparity in economy enhancement between city/district, even disparity figures (Williamson Index) increase in these last decade. These resaerch aims to know and anilyze influence between investment and transfer fund that enter to all regions, and labor figures and aglomeration can be decrease disparity between district/city in North Sumatera Province. The data used in this research is secondary data in the form of panel data of 33 district/city for the period 2006 to 2015. The empirical research method pooled least square regression analysis with quantitative approach using fixed effect model to see the relations between independent variable with economic disparity in North Sumatera Province. The results showed some conclusions: (i) the variable of investment negative and significant impact, (ii) the variable of labor figures negative and significant impact, (iii) the variable of transfer fund positive and non-significant impact, (iv) the variable of aglomeration positive and non-significant impact, (v) the coefficient of determination (R^2) showed that the variable investment, labor figures, transfer fund, and agglomeration really affect to economic disparity equal to 87.15 percent, while the remaining 12.85 percent is explained by variables out of models (which was not studied).

Keywords: Investment, Labor Figures, Transfer Fund, Aglomeration, Williamson Index, Disparity, Fixed Effect Model, Pooled Least Square