

ABSTRACT

Economy growth is a process of economy condition change of a country sustainably leading to a better condition during certain period. An economy is categorized as having in its development if the level of the economy activity is higher than that of being obtained in the previous period.

The research aimed at finding out the influence of dependent variables (education level, total population, and government expenditure) towards independent variable (economy growth) in Kulonprogo Regency with period of 1987-2016.

The Research used time series data of the completed education level, total population, and government expenditure for 30 years. Besides, the research used analysis method of *Error Correction Model* (ECM) as analysis instrument which was used.

The result of the research showed that education level variable and government expenditure had positive and significant influence towards economy growth both in short term and in long term. Meanwhile, the variable of total population showed that the variable had negative and significant towards the economy growth both in short time and in long time in Kulonprogo Regency.

Keywords: *Error Correction Model* (ECM), economy growth, education level, total population, and government expenditure