

CHAPTER V

CONCLUSIONS AND SUGGESTIONS

5.1 Conclusion

In light of the past conversation, there are a few significant ends that can be drawn, particularly connected with the impact of land transportation on financial development. The study's findings demonstrate that:

1. In Indonesia, road length has a positive and significant impact on economic expansion. The significance of road infrastructure in fostering economic expansion is demonstrated by these outcomes. The likelihood of a stronger economy increases with improved road infrastructure. The significance of constructing road infrastructure to boost economic growth is demonstrated by this relationship. This study's findings are in line with Canning and Pedroni's (2004) theory that infrastructure possesses externality properties. There are benefits to infrastructure like roads, education, and health care. A positive externality is the provision of facility support for infrastructure, which has the potential to boost the productivity of all production inputs.
2. Indonesia's economic expansion is aided by the rising number of motorized vehicles. Because transportation will make it easier for the distribution process and for the community to travel, this demonstrates that motorized vehicles also play a significant role in driving economic growth.
3. Government spending on the land transportation sector and the labor force participation rate have no significant effect on economic growth in Indonesia. This shows that other factors play a more dominant role.

5.2 Suggestions

Based on the results of the study, there are several suggestions and policies proposed for the government, as follows:

1. The Indonesian government is expected to continue to pay attention to infrastructure development, especially in transportation infrastructure such as increasing the length of roads throughout Indonesia to encourage economic growth.
2. The government is expected to increase its spending in the transportation sector, so that the availability of transportation infrastructure is in accordance with the needs to encourage Indonesia's economic growth.

The government is expected to increase the number of available jobs so that the labor participation rate can grow to encourage economic growth in Indonesia. Understanding and managing these factors is key to maintaining and improving sustainable economic growth

