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The Influence of Consumption and Investment on Economic Growth in Jeneponto Regency

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ABSTRACT

Consumption and investment are important components of economic activity that can contribute to regional economic growth. Understanding their effects is essential for identifying the factors associated with economic development in Jeneponto Regency. This study aimed to examine the effects of household consumption and investment on economic growth in Jeneponto Regency. A quantitative approach was employed using secondary time-series data covering the period from 2015 to 2024, obtained from the Central Bureau of Statistics of Jeneponto Regency. The data were analyzed using multiple linear regression with the assistance of Statistical Package for the Social Sciences (SPSS) version 25. The results indicated that household consumption had a positive and statistically significant effect on economic growth, whereas investment had a positive but statistically insignificant effect. The coefficient of determination (R^2) was 0.687, indicating that household consumption and investment jointly explained 68.7% of the variation in economic growth, while the remaining 31.3% was attributable to other factors outside the research model. These findings highlight the importance of household consumption in supporting regional economic growth and suggest that the contribution of investment may depend on other contextual factors. This study provides empirical evidence that can inform regional economic planning and policy formulation aimed at strengthening economic growth in Jeneponto Regency.

1. Introduction

Economic growth is a process of increasing an economy's productive capacity over a specific period, reflected in the growing output of goods and services. It is commonly measured by increases in Gross Domestic Product (GDP) at the national level and Gross Regional Domestic Product (GRDP) at the regional level. Beyond quantitative increases in output, economic growth also reflects changes in economic structure, technological development, improvements in production factors, and the expansion of employment opportunities. Sustained economic growth is therefore important for increasing per capita income and improving societal welfare. Economic growth also serves as a key indicator for evaluating development performance, particularly because economic development aims not only to achieve optimal growth but also to reduce poverty and unemployment by creating employment opportunities and enabling people to earn income to meet their living needs.

Indonesia's economic growth during 2019–2024 demonstrated considerable fluctuations. In 2020, national economic activity contracted by –2.07 percent amid significant economic pressures. The economy subsequently recovered, recording growth of 3.69 percent in 2021 and 5.31 percent in 2022. During 2023–2024, economic growth remained relatively stable at around 5 percent. Household consumption, investment, and government expenditure contributed to sustaining national economic activity. These developments highlight the importance of understanding the factors that influence economic growth, particularly household consumption and investment, which represent important components of aggregate demand.

Keynesian theory explains that the level of economic activity is influenced by aggregate expenditure. In a two-sector economy, aggregate demand consists primarily of household consumption and investment, both of which influence national income. Household consumption

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refers to expenditure on goods and services to satisfy individual and family needs, including food, clothing, and other necessities. Consumption expenditure contributes directly to domestic economic activity and provides an indication of household economic conditions. In the long term, consumption and saving patterns are associated with economic growth (Puspandhari, 2023). Household consumption is particularly important because it represents a substantial component of national expenditure and supports the circulation of income throughout the economy.

Investment refers to the allocation of funds or capital to assets with the expectation of obtaining future economic benefits. It encompasses investment in tangible assets, such as land, buildings, and production facilities, as well as financial instruments, including stocks and bonds (Riani, 2023). Sukirno (2021) classifies investment into domestic investment (*Penanaman Modal Dalam Negeri*, PMDN) and foreign investment (*Penanaman Modal Asing*, PMA). Investment by the government and private sector contributes to capital formation and can support economic growth by expanding production capacity, facilitating technological development, and creating employment opportunities. Its contribution, however, may depend on economic conditions, expected returns, political and economic stability, interest rates, and government policies. Consequently, examining consumption and investment together provides a basis for understanding their respective relationships with regional economic growth.

At the regional level, economic growth can be assessed through changes in GRDP. From a Keynesian perspective, increases in aggregate demand, including consumption, government expenditure, investment, and net exports, can influence regional income. The perspectives associated with Joseph Schumpeter and Robert Solow also emphasize the importance of investment, capital formation, technological progress, and human development in explaining economic growth. These theoretical perspectives provide a foundation for examining how household consumption and investment relate to economic performance in a specific regional context.

Jeneponto Regency, located in South Sulawesi, has an economic structure supported by agriculture, trade, and services, with regional economic activity also influenced by household consumption and investment. Its economic growth fluctuated during 2015–2024, particularly during the COVID-19 pandemic and the subsequent recovery period. Table 1 presents the economic growth figures for Jeneponto Regency during this period.

Table 1. Economic Growth in Jeneponto Regency, 2015–2024

No.	Year	Economic Growth (%)
1	2015	6,54
2	2016	8,32
3	2017	8,25
4	2018	6,29
5	2019	5,47
6	2020	0,16
7	2021	5,40
8	2022	3,81
9	2023	1,90
10	2024	6.03

Source: Central Bureau of Statistics of Jeneponto Regency (BPS Kabupaten Jeneponto), 2026.

The data indicate that economic growth fluctuated considerably over the observation period. Growth declined to 0,16 percent in 2020, increased to 5,40 percent in 2021, and subsequently slowed to 3,81 percent in 2022 and 1,90 percent in 2023. In 2024, the reported growth rate increased to 6.03 percent. These fluctuations provide a relevant context for examining whether changes in household consumption and investment were associated with regional economic growth.

The development of investment, measured by Gross Fixed Capital Formation (GFCF), and household consumption in Jeneponto Regency is presented in Table 2.

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Table 2. Investment/Gross Fixed Capital Formation (GFCF) and Household Consumption in Jeneponto Regency

No.	Year	Investment/GFCF (Million Rupiah)	Household Consumption (Million Rupiah)
1	2015	1.591.712,68	3.148.721,58
2	2016	1.710.802,06	3.337.244,53
3	2017	2.035.323,68	3.557.227,27
4	2018	2.293.152,50	3.773.321,84
5	2019	2.460.417,66	4.025.976,53
6	2020	2.408.625,76	4.024.385,83
7	2021	2.437.466,20	4.166.515,89
8	2022	2.570.670,00	4.452.430,00
9	2023	2.625.750,00	4.576.630,00
10	2024	2.686.250.00	4.941.610,00

Source: Central Bureau of Statistics of Jeneponto Regency (BPS Kabupaten Jeneponto), 2026.

Table 2 shows an overall upward trend in investment and household consumption during 2015–2024, although investment declined in 2020 before increasing again in subsequent years. Household consumption also decreased slightly in 2020 before continuing to rise. These developments indicate that both variables are relevant to understanding the region's economic dynamics. However, the observed trends alone do not establish whether either variable had a statistically significant effect on economic growth.

Despite the theoretical importance of household consumption and investment, previous empirical findings, as described in the underlying research, remain inconsistent regarding their relationships with economic growth. Some studies report positive and significant effects, whereas others indicate insignificant or negative relationships. Furthermore, empirical evidence specifically examining household consumption and investment in Jeneponto Regency remains limited. This gap provides a rationale for conducting a region-specific investigation using time-series data covering 2015–2024, including the periods before, during, and after the COVID-19 pandemic. The study therefore addresses the question of whether household consumption and investment significantly influence economic growth in Jeneponto Regency and whether their estimated effects differ in direction and statistical significance.

Accordingly, this study aims to analyze the effects of household consumption and investment on economic growth in Jeneponto Regency during 2015–2024. Household consumption and investment serve as the independent variables, while economic growth is the dependent variable. The study contributes theoretically by providing region-specific empirical evidence relevant to the relationship between aggregate demand components and economic growth. Practically, its findings can inform regional policymakers in evaluating the roles of household consumption and investment in economic development planning. The study's distinctive contribution lies in examining both variables simultaneously within the economic context of Jeneponto Regency over a ten-year period that encompasses substantial economic fluctuations. This evidence can support a more context-sensitive understanding of regional growth and help inform policies intended to promote sustainable economic development and ensure that its benefits extend to the wider community.

2. Literature Review

2.1. Conceptual and Theoretical Foundations

2.1.1. Economic Growth

Economic growth refers to the process of increasing an economy's capacity to produce goods and services over a specific period, ultimately contributing to improvements in societal welfare and prosperity (Umam, 2023). Sukirno (2021) explains that economic growth is generally assessed through increases in Gross Domestic Product (GDP) or per capita income over the long term, accompanied by positive changes in the structure and distribution of economic activity. Accordingly, economic growth reflects the development of an economy's capacity to produce goods and services over time.

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At the regional level, economic growth is commonly measured through changes in Gross Regional Domestic Product (GRDP). GRDP represents the total value added generated by all business units within a region or the accumulated value of final goods and services produced by regional economic agents. An increase in regional economic growth indicates an improvement in economic activity, which can be assessed through the growth rate of GRDP at constant prices (Budihardjo, 2020).

Sustained economic growth can increase the production of goods and services and expand employment opportunities, potentially reducing unemployment and poverty. A positive and sustainable growth trajectory indicates an expanding economy characterized by increasing productive capacity and more active economic activity. Conversely, low or negative economic growth may indicate an economic slowdown that can reduce household income and restrict employment opportunities (Putri & Setiawan, 2020).

Several theoretical perspectives explain the determinants of economic growth. Neoclassical growth theory, particularly the Solow–Swan growth model, emphasizes the combined roles of capital, labor, and technological progress in determining productive capacity. Classical growth theory, associated with Adam Smith, emphasizes capital accumulation, population growth, technological development, and improvements in production efficiency through the division of labor and specialization. Historical growth theory, associated with Werner Sombart and Gustav von Schmoller, views economic development as an evolutionary process shaped by changes in social structures, institutions, production systems, trade, and technology. These perspectives provide a broad understanding of the factors underlying economic development.

The Harrod–Domar growth theory is particularly relevant to the present study because it emphasizes the relationship between saving, investment, capital accumulation, and economic growth. According to this perspective, economic growth depends partly on the ability of an economy to accumulate savings and channel them into productive investment that expands production capacity. Investment therefore plays a dual role by increasing aggregate demand in the short term and expanding productive capacity in the long term. The effective utilization of capital is particularly important for developing economies facing capital constraints.

In the context of Jeneponto Regency, these theoretical perspectives provide a basis for examining household consumption and investment as factors associated with regional economic growth. Consumption can stimulate demand for goods and services, while investment can expand productive capacity through capital formation. Their respective effects, however, must be established empirically rather than inferred solely from theoretical expectations.

2.1.2. Household Consumption

Household consumption refers to expenditure on goods and services to satisfy individual and household needs, including food, clothing, and other necessities (Afrizal, 2021). Consumption patterns are influenced by household income and the composition of household needs. As income increases, expenditure on different categories of goods and services may change at different rates. Demand for food tends to have relatively low income elasticity, whereas demand for clothing, housing, and manufactured consumer goods tends to exhibit higher income elasticity (Kosali, 2021).

Keynesian consumption theory explains that household consumption is closely related to disposable income. An increase in income generally leads to an increase in consumption expenditure, although not all additional income is spent. Instead, part of the additional income may be saved. Consequently, consumption behavior is an important component of aggregate demand and contributes to changes in national and regional economic activity (Afrizal, 2021).

Consumption can also be understood as the expenditure undertaken by individuals and households to obtain goods and services that satisfy their needs. From a Keynesian perspective, consumption represents both an essential component of economic activity and an important determinant of economic welfare. Household consumption supports demand for goods and services and can encourage producers to increase output. Its contribution to economic growth therefore depends on how changes in consumption expenditure translate into production and income

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generation (Kosali, 2021).

Mankiw (2021) explains that household consumption comprises expenditure by the household sector on final goods and services and represents a major component of national income formation. In macroeconomic analysis, the consumption function can be expressed as follows:

C = a + bY

where:

(C) = consumption;

(a) = autonomous consumption, representing minimum consumption when income is zero;

(b) = marginal propensity to consume (MPC); and

(Y) = national income.

This function illustrates the positive relationship between income and consumption expenditure. As income rises, consumption generally increases according to the marginal propensity to consume.

Several theories further explain household consumption behavior. The relative income hypothesis proposed by James Duesenberry emphasizes that consumption decisions are influenced not only by an individual's income but also by the consumption patterns of surrounding households and social groups. It also suggests that consumption expenditure may be difficult to reduce when income declines because individuals tend to maintain previously established consumption habits.

The permanent income hypothesis proposed by Milton Friedman distinguishes between permanent income and temporary income. Permanent income refers to income that is relatively stable and predictable over time, such as regular wages and salaries, whereas temporary income represents income that is less stable and more difficult to predict. This distinction suggests that household consumption decisions may depend on expectations regarding long-term income rather than solely on current income.

These perspectives indicate that household consumption is an important component of aggregate demand. In the present study, household consumption is examined in relation to economic growth in Jeneponto Regency, with the expectation that higher consumption expenditure supports regional economic activity by increasing demand for goods and services.

2.1.3. Investment

Investment refers to expenditure on capital goods and production equipment intended to increase future productive capacity (Alvaro, 2021). Sukirno (2021) explains that investment has multiple roles in an economy. First, it constitutes a component of aggregate demand that influences short-term economic activity. Second, it contributes to long-term economic growth by expanding production capacity. Third, investment may facilitate technological development that supports production processes.

The Harrod–Domar theory of saving and investment emphasizes the importance of investment in economic development. Investment is positively associated with national income because increased investment expenditure can stimulate aggregate demand. At the same time, investment increases the capital stock and expands productive capacity, enabling an economy to produce more goods and services. The effective allocation of investment is therefore important for maintaining economic growth and improving productive efficiency (Apriliansah, 2024).

Investment also contributes to economic growth by financing the maintenance and replacement of depreciated or damaged capital goods, including buildings, materials, and production equipment. When investment exceeds the depreciation of productive assets, the capital stock can expand, supporting economic development. Conversely, insufficient investment may constrain capital accumulation and limit the expansion of productive capacity.

Government and private-sector investment can stimulate production, create employment opportunities, and increase household income. In addition to contributing to aggregate demand, investment influences aggregate supply by expanding production capacity and improving productivity. Over the long term, capital accumulation can increase regional output and GRDP while creating opportunities for broader employment (Alvaro, 2021).

Investment can be classified into government investment and private investment. Government investment includes capital expenditure by central and regional governments and is generally directed toward public development objectives rather than financial profit alone. Private investment includes domestic investment, known as *Penanaman Modal*

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Dalam Negeri (PMDN), and foreign investment, known as *Penanaman Modal Asing* (PMA).

One indicator used to measure investment in regional economic analysis is Gross Fixed Capital Formation (GFCF), known in Indonesia as *Pembentukan Modal Tetap Bruto* (PMTB). GFCF is a component of GRDP expenditure that represents expenditure on acquiring fixed assets with a useful life exceeding one year, excluding consumer goods. Its components include residential and nonresidential buildings, infrastructure such as roads and airports, machinery, and production equipment. Military capital expenditure is excluded from GFCF and classified as government consumption. Thus, GFCF reflects expenditure on physical capital used in production/

The accelerator theory provides an additional perspective on investment by emphasizing the relationship between investment in fixed assets and changes in output or national income. When economic output expands, firms may increase investment in machinery, equipment, and buildings to accommodate rising production requirements. Investment decisions are therefore influenced not only by the current level of output but also by the rate at which output changes. An acceleration in economic growth can encourage firms to expand production capacity and increase investment in fixed assets (Sukirno, 2013).

Within the context of Jeneponto Regency, investment is relevant because it can support regional economic growth through capital accumulation, increased production, and expanded employment opportunities. Nevertheless, the extent to which investment contributes to economic growth depends on its implementation and its capacity to generate additional productive activity. The relationship between investment and regional economic growth must therefore be evaluated empirically.

2.2. Review of Empirical Studies

The theoretical perspectives discussed above establish the expected relationships between household consumption, investment, and economic growth. Keynesian theory emphasizes the contribution of consumption and investment to aggregate demand, while neoclassical and Harrod–Domar perspectives highlight the importance of capital accumulation, productive capacity, and technological development.

The literature on household consumption suggests that consumption expenditure is closely related to income and plays an important role in determining aggregate demand. Keynesian consumption theory, as discussed by Afrizal (2021), explains that consumption tends to increase with household income. Kosali (2021) further describes consumption as a component of economic activity influenced by income and household needs. The importance of consumption in meeting household needs and supporting economic activity, while Mankiw (2021) identifies household consumption as a major component of national income formation. Taken together, these perspectives provide a theoretical basis for expecting household consumption to contribute positively to economic growth.

The literature on investment similarly indicates that investment can influence economic growth through both aggregate demand and productive capacity. Alvaro (2021) explains that investment in capital goods can expand production capacity and support employment and income generation. Apriliansah (2024) emphasizes the role of investment in increasing aggregate demand and capital accumulation, GFCF as an indicator of expenditure on physical capital used in production. These perspectives suggest that investment can support economic growth by increasing the resources available for production.

However, the theoretical and conceptual discussions alone do not establish whether household consumption and investment have statistically significant effects on economic growth in a particular region. Their actual contributions may depend on regional economic conditions and the extent to which expenditure generates additional output. The present study therefore examines these relationships using time-series data from Jeneponto Regency for 2015–2024.

2.3. Identification of the Research Gap

The reviewed literature establishes the theoretical importance of household consumption and investment in explaining economic growth. Nevertheless, three issues motivate the present study. First, the theoretical relationship between consumption, investment, and economic growth does not by itself determine the magnitude or statistical significance of their effects in a particular

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regional economy. Second, the underlying literature review provides limited region-specific empirical evidence concerning the simultaneous effects of household consumption and investment on economic growth in Jeneponto Regency. Third, the period from 2015 to 2024 encompasses changes in regional economic activity, including the contraction and recovery associated with the COVID-19 pandemic, making it relevant to examine the relationships between these variables over the full observation period.

Accordingly, this study addresses the limited region-specific evidence by analyzing household consumption and investment as independent variables and economic growth as the dependent variable in Jeneponto Regency during 2015–2024. The study seeks to establish whether the effects of these two variables are positive and statistically significant within the specified regional and temporal context. Its contribution lies in providing empirical evidence for regional economic analysis rather than assuming that relationships established in general economic theory necessarily apply with the same magnitude or significance at the regional level.

2.4. Development of the Conceptual Framework

The conceptual framework explains the expected relationships between household consumption, investment, and economic growth. Household consumption represents expenditure by households on goods and services, while investment represents expenditure on capital goods and fixed assets intended to support future production. Economic growth is the dependent variable and reflects changes in regional economic output.

From the Keynesian perspective, household consumption contributes to aggregate demand by increasing demand for goods and services. Higher consumption expenditure can encourage producers to increase output, potentially contributing to regional economic growth. The relationship is also consistent with the consumption function, which indicates that consumption generally increases with income (Afrizal, 2021; Kosali, 2021; Mankiw, 2021).

Investment contributes to economic growth through its role in aggregate demand and capital formation. Increased investment can expand the capital stock, improve production capacity, and support higher output. These mechanisms are consistent with the Harrod–Domar perspective and the discussion of investment and GFCF presented by Alvaro (2021), Apriliansah (2024).

The relationship between the variables is further supported by the conceptual framework described by Sugiyono (2023), which defines a research framework as a conceptual construction illustrating relationships among research variables based on theoretical foundations and previous research findings.

Based on these considerations, the conceptual framework consists of two direct relationships: household consumption affects economic growth, and investment affects economic growth. Both relationships are expected to be positive.

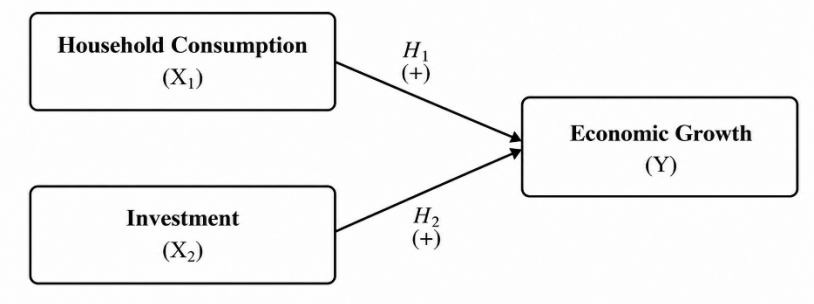


Fig. 1. Conceptual Framework of the Study

Source: Developed by the authors based on the theoretical framework of the study.

2.5. Hypothesis or Research Propositions

2.5.1. The Effect of Household Consumption on Economic Growth

Keynesian theory explains that aggregate expenditure is an important determinant of economic activity. Household consumption contributes to aggregate demand because expenditure on goods and services encourages production and supports the circulation of income within the economy. As household consumption increases, producers may respond to higher demand by expanding output, potentially contributing to economic growth. The consumption function also indicates a positive relationship between income and

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consumption expenditure (Afrizal, 2021; Mankiw, 2021).

In the context of Jeneponto Regency, household consumption is therefore expected to contribute positively to economic growth by supporting demand for goods and services. Nevertheless, the statistical significance of this relationship must be determined through empirical analysis. Based on the theoretical arguments presented, the first hypothesis is formulated as follows:

H_1: Household consumption has a positive and statistically significant effect on economic growth in Jeneponto Regency.

2.5.2. The Effect of Investment on Economic Growth

The Harrod–Domar growth theory emphasizes investment as a mechanism for increasing aggregate demand and expanding productive capacity through capital accumulation. Investment in machinery, buildings, infrastructure, and other fixed assets can support production, improve productivity, and create employment opportunities. The role of investment in expanding capital stock and regional output is also discussed by Alvaro (2021) and Apriliansah (2024). Furthermore, GFCF provides an indicator of expenditure on physical capital used in production.

These theoretical considerations suggest that investment can contribute positively to economic growth in Jeneponto Regency by increasing the region's productive capacity. However, whether this expected relationship is statistically significant depends on the empirical evidence obtained from the research data. Accordingly, the second hypothesis is formulated as follows:

H_2: Investment has a positive and statistically significant effect on economic growth in Jeneponto Regency.

3. Research Methods

3.1. Research Design

This study employed a quantitative research approach to examine the relationships between household consumption, investment, and economic growth in Jeneponto Regency. A quantitative approach involves collecting, processing, and statistically analyzing numerical data to investigate the relationships among research variables (Sugiyono, 2023). This approach was appropriate for the study because it enabled the researchers to examine the effects of household consumption and investment on regional economic growth using annual time-series data. Multiple linear regression was employed to estimate the relationships between the independent variables and the dependent variable.

3.2. Research Context and Setting

The study was conducted in Jeneponto Regency, South Sulawesi, Indonesia, using data obtained from the Central Bureau of Statistics of Jeneponto Regency (Badan Pusat Statistik Kabupaten Jeneponto, 2026). The institution is located at Jl. Sultan Hasanuddin No. 58, Jeneponto, South Sulawesi. The research was conducted from March to May 2026. Jeneponto Regency was selected as the research setting because the study focused on understanding the relationship between household consumption, investment, and regional economic growth. The regional context provided an opportunity to examine these relationships using economic indicators observed over a ten-year period.

3.3. Population and Sample

A population comprises the entire set of data that constitutes the focus of a research study within a specified scope and period. The population of this study consisted of all time-series data on household consumption, investment, and economic growth in Jeneponto Regency. Sugiyono (2023) defines a sample as a subset of a population with particular characteristics and emphasizes the importance of selecting a sample that adequately represents the population. The sample in this study consisted of annual time-series observations of household consumption and investment for the period 2015–2024, covering ten years. Economic growth over the corresponding period served as the dependent variable in the analysis. The study used the available annual observations for the specified period; a separate probabilistic sampling procedure was not reported in the original methodology.

3.4. Data Sources and Data Collection

This study used quantitative secondary data expressed in numerical form. The data were obtained from the Central Bureau of Statistics of Jeneponto Regency and supplemented by relevant literature and

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documentary references related to the research topic. The dataset comprised annual observations of household consumption, investment, and economic growth for the period 2015–2024. Data collection involved observation and documentation. Observation was used to examine the available economic data and identify annual time-series information on household consumption and investment in Jeneponto Regency over the ten-year observation period. Documentation was used to obtain supporting records and documentary evidence relevant to the variables under investigation. These procedures provided the numerical data required for the subsequent statistical analysis.

3.5. Measurement of Variables and Research Instruments

The study examined two independent variables—household consumption and investment—and one dependent variable, economic growth. All variables were measured using secondary economic data rather than questionnaire-based instruments.

a. **Household Consumption (X_1).** Household consumption refers to annual household expenditure to meet basic needs in Jeneponto Regency. It includes expenditure on durable goods, such as vehicles and electronic equipment, and nondurable goods and services, such as food, clothing, soap, and other daily necessities. The variable was operationalized using household consumption expenditure data reported for the study period.

b. **Investment (X_2).** Investment refers to expenditure on capital goods and production facilities intended to increase future productive capacity. In this study, investment was measured using Gross Fixed Capital Formation (GFCF), known in Indonesia as *Pembentukan Modal Tetap Bruto* (PMTB), expressed in monetary units. This operationalization follows the investment measurement approach described by Alvaro (2021).

c. **Economic Growth (Y).** Economic growth refers to the development of an economy's capacity to produce goods and services to meet societal needs. In this study, economic growth was measured using the regional economic growth indicator derived from Gross Regional Domestic Product (GRDP), which represents the value of goods and services generated by economic activities within the region (Umam, 2023). The operationalization of the variables is summarized in Table 3.

Table 3. Operational Definitions of Research Variables

Variable	Symbol	Operational definition	Measurement basis
Household consumption	X_1	Annual household expenditure on durable and nondurable goods and services to meet household needs	Household consumption expenditure
Investment	X_2	Expenditure on capital goods and production facilities intended to increase future productive capacity	GFCF/PMTB, expressed in monetary units
Economic growth	Y	Regional economic performance reflected in the growth of output within the region	Regional economic growth based on GRDP

Source: Compiled from the study's operational definitions.

3.6. Data Analysis Techniques

The data were analyzed using multiple linear regression to estimate the effects of household consumption and investment on economic growth. The analysis included classical assumption tests, regression estimation, hypothesis testing, and the coefficient of determination. The multiple linear regression method was selected because the study involved two independent variables and one dependent variable (Sugiyono, 2023).

The regression model was specified as follows:

$$Y = \beta 0 + \beta 1X1 + \beta 2X2 + e$$

where:

(Y) = economic growth;

(X1) = household consumption;

(X_) = investment;

(β0) = regression constant;

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(β1) and (β2) = regression coefficients of the independent variables; and
(e) = error term.

2.6.1. Classical Assumption Tests

The classical assumption tests were conducted to evaluate whether the regression model satisfied the assumptions specified in the original research methodology.

a. **Normality test.** The normality test was used to assess whether the regression residuals followed an approximately normal distribution. Normality was evaluated using a histogram and a normal probability plot. A distribution that approximately followed the diagonal line in the normal probability plot and displayed a histogram resembling a normal distribution was considered indicative of approximate normality.
b. **Heteroscedasticity test.** The heteroscedasticity test was used to examine whether the variance of the regression residuals differed across observations. The study assessed potential heteroscedasticity through graphical analysis. A regression model without heteroscedasticity is characterized by approximately constant residual variance.
c. **Multicollinearity test.** The multicollinearity test examined whether the independent variables were highly correlated with one another. Tolerance and the variance inflation factor (VIF) were used as diagnostic measures. Tolerance represents the proportion of variation in an independent variable that cannot be explained by the other independent variables, whereas VIF is the reciprocal of tolerance. A tolerance value of 0.10 or lower, equivalent to a VIF above 10, was treated as an indication of substantial multicollinearity.
d. **Autocorrelation test.** The autocorrelation test examined whether regression errors in one period were associated with errors in the preceding period. The Durbin–Watson statistic was used to assess autocorrelation. According to the criteria specified in the original methodology, a Durbin–Watson value below −2 indicated positive autocorrelation, a value between −2 and +2 indicated no autocorrelation, and a value above 2 indicated negative autocorrelation. These criteria are reproduced from the original methodology and should be verified before publication because the conventional Durbin–Watson statistic and its interpretation generally require more specific decision boundaries.

2.6.2. Multiple Linear Regression Analysis

Multiple linear regression was used to estimate the individual relationships between household consumption, investment, and economic growth. The regression coefficients indicated the direction and estimated magnitude of the relationship between each independent variable and economic growth, conditional on the other independent variable in the model.

2.6.3. Hypothesis Testing

a. **Partial test (t-test).** The t-test was used to assess the individual effect of each independent variable on economic growth at a significance level of 5% (a = 0.05). Sugiyono (2023) explains that the t-test evaluates the significance of an individual independent variable while holding the other variables in the model constant. The original methodology specified that a calculated t-value greater than the critical t-value indicated a statistically significant individual effect, whereas a calculated t-value lower than the critical value indicated no statistically significant individual effect.
b. **Simultaneous test (F-test).** The F-test was used to assess whether household consumption and investment jointly explained a statistically significant proportion of variation in economic growth. Under the decision rule specified in the original methodology, an F-statistic greater than the critical F-value indicated a statistically significant joint effect, whereas an F-statistic below the critical value indicated that the joint effect was not statistically significant.
c. **Coefficient of determination (R^2).** The coefficient of determination was used to evaluate the proportion of variation in economic growth explained by household consumption and investment in the regression model. Its value ranges from 0 to 1, with higher values indicating that the independent variables account for a larger proportion of the observed variation in the dependent variable.

3.7. Validity, Reliability, and Trustworthiness

The study relied on secondary numerical data obtained from the Central Bureau of Statistics of

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Jeneponto Regency and supporting documentary sources. The use of documented annual economic indicators provided a basis for examining the relationships among the research variables. The classical assumption tests—including normality, heteroscedasticity, multicollinearity, and autocorrelation tests—were specified to assess the suitability of the regression model for statistical inference. Because the study used secondary time-series data rather than a survey instrument, questionnaire-based validity and reliability tests were not applicable in the same manner as they would be for a primary-data study. The original methodology did not report separate procedures for validating the source data or conducting additional reliability assessments. Accordingly, no additional validation procedures are claimed here.

3.8. Ethical Considerations

The study used secondary economic data obtained from the Central Bureau of Statistics of Jeneponto Regency and relevant documentary and literature sources. It did not involve the direct recruitment of human participants or the collection of personal questionnaire responses. The analysis was therefore based on regional economic indicators rather than identifiable individual-level information. The original methodology did not specify whether formal ethical approval was obtained or whether a separate institutional review was conducted. Such approval should not be claimed unless supported by the relevant documentation.

3.9. Research Procedure

The research was conducted through a sequence of methodological stages. First, the research variables and analytical framework were established based on the study objectives. Second, secondary annual data on household consumption, investment, and economic growth in Jeneponto Regency were collected from the Central Bureau of Statistics and supporting documentary sources for 2015–2024. Third, the data were organized according to the defined variables and observation period. Fourth, classical assumption tests were specified to assess the regression model. Fifth, multiple linear regression was used to estimate the relationships between the independent variables and economic growth. Finally, the t-test, F-test, and coefficient of determination were used to evaluate the individual and joint relationships and the explanatory capacity of the model.

3.10. Methodological Limitations

This study was limited to annual secondary time-series data from Jeneponto Regency for the period 2015–2024, yielding ten annual observations. The relatively short observation period limits the amount of information available for estimating the regression model and may affect the statistical power of hypothesis testing. The analysis also focused on household consumption and investment, meaning that other factors potentially associated with economic growth were not included as explanatory variables. Furthermore, the study relied on published regional economic indicators and documentary sources rather than primary data. The results should therefore be interpreted within the context of the specified region, observation period, variable definitions, and regression model. The findings do not necessarily establish causal relationships beyond the assumptions of the statistical model, nor should they automatically be generalized to other regions or periods.

4. Results and Discussion

4.1. Research Results

4.1.1. Sample Description and Descriptive Statistics

This study examined the effects of household consumption and investment on economic growth in Jeneponto Regency. The analysis used secondary annual time-series data obtained from the Central Bureau of Statistics of Jeneponto Regency for the period 2015–2024, comprising 10 annual observations. Household consumption and investment served as the independent variables, while economic growth was the dependent variable.

a. Economic Growth in Jeneponto Regency

Economic growth reflects changes in an economy's capacity to produce goods and services over a specific period. In this study, regional economic performance was described using Gross Regional Domestic Product (GRDP) at constant 2010 prices and the corresponding economic growth rate. Table 4 presents the development of economic growth in Jeneponto Regency during 2015–2024.

Table 4. Economic Growth in Jeneponto Regency, 2015–2024

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Year	GRDP at Constant 2010 Prices	Economic Growth (%)
2015	5.085.915,52	6,54
2016	5.508.828,17	8,32
2017	8.614.595,11	8,25
2018	6.338.740,62	6,29
2019	6.685.623,03	5,47
2020	6.696.418,77	0,16
2021	7.058.349,94	5,40
2022	7.327.530,00	3,81
2023	7.466.550,00	1,90
2024	7.916.700,00	6,03

Source: Central Bureau of Statistics of Jeneponto Regency (BPS Kabupaten Jeneponto), 2026.

As shown in Table 4, economic growth in Jeneponto Regency fluctuated during the observation period. The reported growth rate reached 8,32% in 2016 and 8,25% in 2017, before declining in subsequent years. In 2020, economic growth fell to 0,16%, followed by a recovery to 5,40% in 2021. Growth subsequently slowed to 3,81% in 2022 and 1,90% in 2023 before increasing to 6,03% in 2024. The average annual economic growth rate reported in the original analysis was approximately 5,22%.

b. Household Consumption in Jeneponto Regency

Household consumption represents expenditure on goods and services used to satisfy household needs. It includes expenditure on durable goods and nondurable goods and services. Table 5 presents household consumption expenditure and its reported annual growth during 2015–2024.

Table 5. Household Consumption in Jeneponto Regency, 2015–2024

Year	Household Consumption	Growth (%)
2015	3.148.721,58	5,74
2016	3.337.244,53	5,99
2017	3.557.227,27	6,59
2018	3.773.321,84	6,07
2019	4.025.976,53	6,70
2020	4.024.385,83	0,04
2021	4.166.515,89	3,53
2022	4.452.430,00	6,86
2023	4.576.630,00	2,79
2024	4.941.610,00	7,97

Source: Central Bureau of Statistics of Jeneponto Regency (BPS Kabupaten Jeneponto), 2026.

Table 5 shows that household consumption expenditure generally increased throughout the observation period. It rose from 3.148.721,58 in 2015 to 4.025.976,53 in 2019. In 2020, expenditure declined slightly to 4.024.385,83, before increasing in subsequent years and reaching 4.941.610,00 in 2024. The reported annual growth rate also fluctuated, reaching 0,04% in 2020 and 7,97% in 2024.

c. Investment in Jeneponto Regency

Investment was measured using Gross Fixed Capital Formation (GFCF), known in Indonesia as *Pembentukan Modal Tetap Bruto* (PMTB). This indicator represents expenditure on fixed assets intended to support productive activities. Table 6 presents the development of investment and its reported annual growth during 2015–2024.

Table 6. Investment in Jeneponto Regency, 2015–2024

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Year	Investment/GFCF	Growth (%)
2015	1.591.712,68	8,68
2016	1.710.802,06	7,48
2017	2.035.323,68	18,97
2018	2.293.152,50	12,67
2019	2.460.417,66	7,29
2020	2.408.625,76	2,11
2021	2.437.466,20	1,32
2022	2.570.670,00	5,44
2023	2.625.750,00	2,14
2024	2.686.250.00	2,30

Source: Central Bureau of Statistics of Jeneponto Regency (BPS Kabupaten Jeneponto), 2026.

As presented in Table 6, investment generally increased during 2015–2024, although a decline occurred in 2020. Investment rose from 1.591.712,68 in 2015 to 2.460.417,66 in 2019, decreased to 2.408.625,76 in 2020, and subsequently increased to 2.686.250.00 in 2024. The reported annual growth rate was highest in 2017 at 18,97% and reached 2,30% in 2024.

4.1.2. Data Quality and Preliminary Analysis

Classical assumption tests were conducted to evaluate the suitability of the regression model. These tests included normality, multicollinearity, heteroscedasticity, and autocorrelation assessments. The analyses were performed using Statistical Package for the Social Sciences (SPSS) version 25.

a. Normality Test

Normality was assessed using a histogram, a Normal Probability Plot (P–P Plot) of standardized residuals, and the one-sample Kolmogorov–Smirnov test.

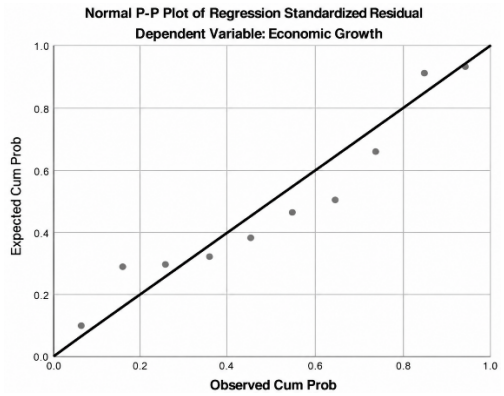


Fig. 2. Normal Probability Plot (P–P Plot)

Source: SPSS 25 output, processed data, 2026.

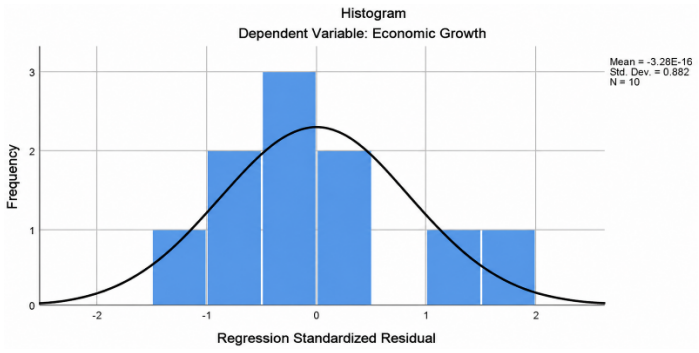


Fig. 3. Histogram Test

Source: SPSS 25 output, processed data, 2026.

The histogram indicated that the residuals were distributed around zero and broadly followed a

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bell-shaped pattern. The reported mean residual was −3,28E-16, with a standard deviation of 0,802. The P–P Plot also showed that most residual points followed the diagonal line, although some deviations were visible. The statistical results of the Kolmogorov–Smirnov test are presented in Table 7.

Table 7. One-Sample Kolmogorov–Smirnov Test

One-Sample Kolmogorov-Smirnov Test		
		Unstandardized Residual
N		10
Normal Parameters[a,b]	Mean	,0000000
	Std. Deviation	1,45810081
Most Extreme Differences	Absolute	,193
	Positive	,193
	Negative	-,161
Test Statistic		,193
Asymp. Sig. (2-tailed)[c]		,200
a. Test distribution is Normal.		
b. Calculated from data.		
c. Lilliefors Significance Correction.		
d. This is a lower bound of the true significance.		

Source: SPSS 25 output, processed data, 2026.

Table 7 reports an asymptotic significance value of 0,200, which exceeds the 0,05 threshold. Based on the reported test result, the normality test did not indicate a statistically significant departure from a normal distribution.

b. Multicollinearity Test

Multicollinearity was assessed using tolerance and the Variance Inflation Factor (VIF). The results are presented in Table 8.

Table 8. Multicollinearity Test

Independent Variable	Tolerance	VIF
Household Consumption	0,798	1,252
Investment	0,798	1,252

a. Dependent variable: Economic Growth.

Source: SPSS 25 output, processed data, 2026.

As shown in Table 8, both independent variables had tolerance values of 0,798 and VIF values of 1,252. These values satisfy the criteria specified in the original analysis, namely tolerance greater than 0,05 and VIF below 10,00. Accordingly, the reported results did not indicate a multicollinearity problem.

c. Heteroscedasticity Test

Heteroscedasticity was examined using a residual scatterplot. The reported scatterplot showed residual points distributed above and below zero on the vertical axis without an apparent systematic pattern. Based on this visual assessment, the original analysis concluded that the model did not exhibit a clear heteroscedasticity problem.

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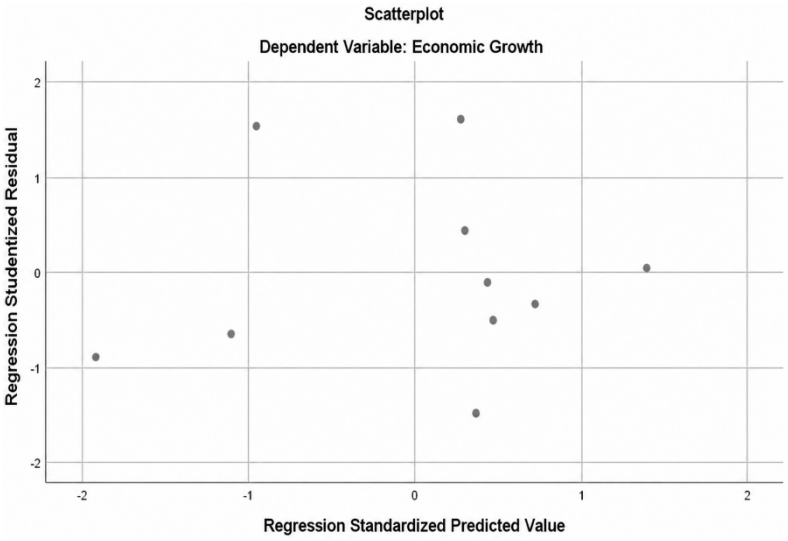


Fig. 4. Heteroscedasticity Test (Scatter-Plot)

Source: SPSS 25 output, processed data, 2026.

d. Autocorrelation Test

Autocorrelation was assessed using the Runs Test. The results are presented in Table 9.

Table 9. Autocorrelation Test (Runs Test)

Statistic	Unstandardized Residual
Test Value[a]	-,31371
Cases < Test Value	5
Cases ≥ Test Value	5
Total Cases	10
Number of Runs	5
Z	-,335
Asymp. Sig. (2-tailed)	,737
a. Median	

Source: SPSS 25 output, processed data, 2026.

Table 9 reports an asymptotic significance value of 0,737, which exceeds 0,05. Under the Runs Test, this result indicates that the residual sequence does not show a statistically significant departure from randomness. Thus, the test did not provide evidence of a systematic residual pattern.

4.1.3. Main Analytical Results

a. Multiple Linear Regression Analysis

Multiple linear regression was used to estimate the relationships between household consumption, investment, and economic growth in Jeneponto Regency. The regression coefficients and associated statistics are presented in Table 10.

Table 10. Multiple Linear Regression Results

Coefficients[a]						
Model		**Unstandardized Coefficients**		**Standardi zed Coefficients**	**t**	**Sig.**
		B	**Std. Error**	**Beta**		
1	(Constant)	,677	1,321		,512	,624
	Household	,638	,258	,586	2,474	,043

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Consumption					
Investment	,176	,110	,379	1,601	,153

a. Dependent variable: Economic Growth.

Source: SPSS 25 output, processed data, 2026.

The estimated coefficients reported in Table 10 indicate positive coefficients for both household consumption and investment. Household consumption had a coefficient of ,638, with a t-statistic of 2,474 and a significance value of ,043. Investment had a coefficient of ,176, with a t-statistic of 1,601 and a significance value of ,153.

Using the coefficients reported in Table 7, the regression equation can be expressed as follows:

$$Y = 0{,}677 + 0{,}638X1 + 0{,}176X2 + e$$

where (Y) represents economic growth, (X1) represents household consumption, (X2) represents investment, and (e) represents the error term.

The positive coefficient for household consumption indicates a positive estimated relationship with economic growth, controlling for investment. The positive coefficient for investment similarly indicates a positive estimated relationship with economic growth, controlling for household consumption.

b. Simultaneous F-Test

The simultaneous F-test was used to evaluate whether household consumption and investment jointly had a statistically significant relationship with economic growth. The results are presented in Table 11.

Table 11. Simultaneous F-Test (ANOVA)

	Model	Sum of Squares	df	Mean Square	F	Sig.
1	Regression	41,909	2	20,954	7,666	,017[b]
	Residual	19,135	7	2,734		
	Total	61,043	9			

a. Dependent variable: Economic Growth.

b. Predictors: Constant, Investment, Household Consumption.

Source: SPSS 25 output, processed data, 2026.

As shown in Table 11, the reported F-statistic was 7,666, with a significance value of 0,017. Because the reported significance value is below 0,05, the simultaneous test indicates that household consumption and investment jointly have a statistically significant relationship with economic growth in the specified regression model.

c. Coefficient of Determination

The coefficient of determination was used to assess the proportion of variation in economic growth explained by the independent variables. The results are presented in Table 12.

Table 12. Coefficient of Determination (Model Summary)

Model Summary[b]				
Model	**R**	**R Square**	**Adjusted R Square**	**Std. Error of the Estimate**
1	,829[a]	,687	,597	1,653

a. Predictors: Constant, Investment, Household Consumption.

Source: SPSS 25 output, processed data, 2026.

Table 12 reports an R value of ,829 and an R Square value of ,687. The coefficient of determination therefore indicates that household consumption and investment jointly explain 68,7% of the variation in economic growth in the reported model. The remaining 31,3% is associated with factors not included in the model.

4.1.4. Hypothesis Testing Results and Key Findings

The partial t-tests were used to evaluate the

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hypotheses concerning the individual relationships between household consumption, investment, and economic growth.

Hypothesis 1 (H_1): Household consumption has a positive and significant effect on economic growth. Household consumption had a positive regression coefficient of ,638, a t-statistic of 2,474, and a significance value of ,043. Because the significance value was below 0,05, the result supports the hypothesis that household consumption has a positive and statistically significant relationship with economic growth in Jeneponto Regency.

Hypothesis 2 (H_2): Investment has a positive and significant effect on economic growth. Investment had a positive regression coefficient of ,176, a t-statistic of 1,601, and a significance value of ,153. Because the significance value exceeded 0,05, the estimated positive relationship was not statistically significant. Therefore, H_2 was not supported in its entirety. The principal findings are summarized in Table 13.

Table 13. t Test

Coefficients[a]						
Model		**Unstandardized Coefficients**		**Standardi zed Coefficients**	**t**	**Sig.**
		B	**Std. Error**	**Beta**		
1	(Constant)	,677	1,321		,512	,624
	Household Consumption	,638	,258	,586	2,474	,043
	Investment	,176	,110	,379	1,601	,153

a. Dependent variable: Economic Growth.

Source: Compiled from the reported regression results.

4.1.5. Visual Presentation of Results

The main empirical results are presented in Tables 4–13. Tables 4–6 describe the development of economic growth, household consumption, and investment during 2015–2024. Tables 7–9 present the preliminary diagnostic results. Tables 10–12 report the regression coefficients, simultaneous test, and coefficient of determination, while Table 13 summarizes the t test. Together, these tables show that household consumption had a positive and statistically significant individual relationship with economic growth, whereas investment had a positive but statistically insignificant individual relationship. The simultaneous F-test was statistically significant, and the model reported an R Square value of ,687.

4.2. Research Discussion

2.5.1. Interpretation of Key Findings

a. The Effect of Household Consumption on Economic Growth in Jeneponto Regency

The regression results indicate that household consumption had a positive and statistically significant relationship with economic growth in Jeneponto Regency. The estimated coefficient was ,638, the t-statistic was 2,474, and the significance value was ,043, below the 0,05 threshold. These results support H_1. The positive coefficient suggests that higher household consumption expenditure was associated with higher economic growth, holding investment constant in the regression model. Household consumption can contribute to regional economic activity by increasing demand for goods and services, supporting trade, and encouraging businesses to maintain or expand their operations. This finding is consistent with the Keynesian perspective, in which consumption is a major component of aggregate expenditure and contributes to the determination of output and income. An increase in consumption can stimulate demand, encouraging producers and service providers to respond to changing market conditions. In the context of Jeneponto Regency, household expenditure on everyday goods and services may therefore represent an important channel through which economic activity is sustained. The result also indicates that household consumption was

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statistically distinguishable from zero in the specified model. Nevertheless, because the analysis used observational time-series data, the coefficient should be interpreted as an estimated relationship rather than definitive evidence that changes in household consumption alone caused changes in economic growth.

b. The Effect of Investment on Economic Growth in Jeneponto Regency

Investment had a positive but statistically insignificant relationship with economic growth. The estimated coefficient was ,176, the t-statistic was 1,601, and the significance value was ,153, exceeding the 0,05 threshold. These results do not support H_2's requirement of a positive and statistically significant effect. The positive coefficient indicates that investment moved in the same estimated direction as economic growth in the regression model. However, the statistical evidence was insufficient to conclude that the relationship differed from zero at the specified significance level. The Harrod–Domar perspective emphasizes that investment can expand productive capacity through capital accumulation. Nevertheless, an increase in investment expenditure does not necessarily translate immediately into higher regional output. The economic effects may depend on the composition of investment, the timing of project implementation, the productivity of the assets acquired, and the extent to which investment generates additional economic activity within the region. For Jeneponto Regency, the reported result suggests that investment measured through GFCF was not independently associated with economic growth at a statistically significant level during the observation period, after accounting for household consumption. The finding does not establish that investment is economically unimportant; rather, it indicates that the estimated relationship was not statistically significant under the model and data used.

2.5.2. Comparison with Previous Studies

The finding on household consumption is consistent with Puspandhari (2023), whose study reported a positive and significant relationship between household consumption and economic growth. This similarity supports the view that household expenditure can play an important role in stimulating economic activity. The investment result is consistent with Imawan (2021), who reported that investment had a positive but statistically insignificant relationship with economic growth. The agreement between the reported findings suggests that a positive investment coefficient does not necessarily imply a statistically significant effect in every regional or economic context. These comparisons provide context for interpreting the current findings. However, the source material does not provide sufficient methodological details or complete bibliographic information for these prior studies to enable a more extensive comparison of their samples, analytical methods, and measurement choices. Accordingly, the comparison is limited to the findings explicitly described in the original research.

4.2.3. Theoretical Contributions

This study contributes to the application of aggregate-demand theory by providing regional evidence on the distinct relationships of household consumption and investment with economic growth. The findings show that the two variables did not exhibit the same level of statistical significance when examined individually within the regression model. The positive and significant coefficient for household consumption is consistent with the Keynesian proposition that consumption expenditure contributes to aggregate demand and economic output. In contrast, the positive but insignificant coefficient for investment indicates that the expected relationship between capital formation and regional economic growth was not statistically established in this dataset. The findings therefore illustrate the importance of distinguishing theoretical expectations from empirical outcomes. Although both consumption and investment are theoretically relevant to economic growth, their estimated relationships may differ depending on the regional context, observation period, and characteristics of the model.

4.2.4. Practical and Policy Implications

The findings have several implications for regional economic policy in Jeneponto Regency. First, the positive and significant relationship between household consumption and economic growth suggests that policies supporting household purchasing power may help sustain regional economic activity. Measures that improve

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employment opportunities, household income, and access to essential goods and services may contribute to maintaining consumption demand. Second, the positive but insignificant investment coefficient suggests that policymakers should consider not only the volume of investment but also its productive quality and potential contribution to the local economy. Improving infrastructure, simplifying investment procedures, and creating a supportive business environment may help encourage investment. These measures should be accompanied by attention to the extent to which investment generates local production, employment, and value added. Third, investors and business operators may consider opportunities in productive sectors with regional potential. The objective should be to support investment that strengthens productive capacity and contributes to sustainable economic activity rather than focusing solely on the amount of capital expenditure.

Finally, the availability and consistency of regional economic data should be improved to support more robust evaluation of development policies. Reliable time-series data enable policymakers and researchers to assess changes in economic performance and identify the factors associated with regional growth.

4.2.5. Integration with the Research Gap

The study addressed the need for region-specific evidence on the relationship between household consumption, investment, and economic growth in Jeneponto Regency. By examining annual data for 2015–2024, it provides empirical estimates for two theoretically important determinants of regional economic activity. The findings demonstrate that household consumption had a positive and statistically significant relationship with economic growth, whereas investment had a positive but statistically insignificant relationship. This distinction adds context-specific evidence to the broader theoretical expectation that both variables may contribute to economic growth. The results also demonstrate why regional relationships should be evaluated empirically rather than inferred solely from general economic theory. Although consumption and investment are both important components of economic activity, the evidence from this particular model indicates that their individual statistical relationships with economic growth differed.

4.2.6. Acknowledgment of Study Limitations

The findings should be interpreted in light of several limitations. First, the study included only 10 annual observations, covering 2015–2024. This small sample limits the precision of regression estimates and the statistical power of hypothesis testing. Second, the model included only household consumption and investment as independent variables. Other factors that may be associated with regional economic growth, including government expenditure, labor productivity, employment, and sectoral economic changes, were not included in the regression. Third, the study relied on secondary data and an observational regression design. Consequently, the estimated coefficients establish statistical relationships within the specified model but do not, by themselves, establish causal effects. These limitations should be considered when interpreting the findings and applying them to regional policy.

5. Conclusion

5.1. Summary of Key Findings

This study examined the effects of household consumption and investment on economic growth in Jeneponto Regency using annual secondary data for 2015–2024. The multiple linear regression results showed that household consumption had a positive and statistically significant relationship with economic growth, with a coefficient of ,638 and a significance value of ,043. Investment had a positive but statistically insignificant relationship, with a coefficient of ,176 and a significance value of ,153. The simultaneous F-test reported a significance value of ,017, indicating that household consumption and investment jointly had a statistically significant relationship with economic growth in the specified model. The coefficient of determination was ,687, indicating that the independent variables jointly explained 68,7% of the variation in economic growth, while the remaining 31,3% was associated with factors outside the model. Overall, the findings indicate that household consumption was the only independent variable with a statistically significant individual relationship with economic growth in this study. Although investment had a positive estimated coefficient, its individual relationship with economic growth was not statistically significant.

5.2. Theoretical Contributions

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The study contributes to the regional application of economic growth theory by distinguishing the estimated relationships of household consumption and investment with economic growth. The results support the Keynesian expectation that household consumption is positively associated with economic activity. However, the positive but statistically insignificant investment coefficient indicates that the expected relationship between investment and regional economic growth was not statistically established in the sample. These findings reinforce the importance of empirical testing when applying aggregate-demand and capital-accumulation perspectives to a specific regional economy. They provide evidence from Jeneponto Regency that can inform further investigation of the conditions under which consumption and investment are associated with regional economic performance.

5.3. Practical and Policy Implications

The results suggest that the local government should consider measures that support household purchasing power and sustain demand for goods and services. Policies that encourage employment, improve household income, and maintain access to essential goods may help support economic activity. The government should also seek to improve the effectiveness of investment by strengthening infrastructure, simplifying investment procedures, and creating a supportive business environment. Greater attention to the productive use of investment may help increase its contribution to regional output and employment. Investors and business operators may also consider investment opportunities in productive sectors with regional potential. At the same time, improvements in the availability and consistency of published regional economic data would support more reliable policy evaluation and future research.

5.4. Limitations of the Study

The study was limited to 10 annual observations from Jeneponto Regency covering 2015–2024. The relatively small sample may affect the precision of the regression coefficients and the statistical power of the hypothesis tests. In addition, the model examined only household consumption and investment, leaving other potential determinants of regional economic growth outside the analysis. The use of secondary observational data also limits the extent to which the results can be interpreted causally. The findings should therefore be understood as evidence of statistical relationships within the specified model and period rather than definitive causal estimates or universally applicable conclusions.

5.5. Directions for Future Research

Future research could extend the observation period to include additional years, thereby increasing the number of observations and potentially improving the precision of the estimates. Researchers could also incorporate additional variables, such as government expenditure, employment, labor productivity, and sectoral economic performance, to examine a broader set of factors associated with regional economic growth. Comparative studies involving other regencies or municipalities in South Sulawesi could help determine whether the relationships observed in Jeneponto Regency are consistent across different regional economic structures. Further research could also examine whether the effects of investment emerge over longer periods or differ according to the sectors receiving investment. Such extensions would provide a more comprehensive understanding of the relationships among consumption, investment, and regional economic growth.

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