The Influence Of Economic Factors On HDI In Lampung Province In 2018-2021

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ABSTRACT
Lampung Province is adjacent to the major entrance to Sumatra Island, however its HDI has not yet caught up to those of the other provinces on Sumatra Island. This reveals that, in comparison to other provinces on the island of Sumatra, Lampung Province has strategic potential for advancing the welfare of its citizens that has not yet been fully achieved. Examining the effects of economic growth, life expectancy, GRDP, health infrastructure, education infrastructure, and spending for health and education services on HDI in Lampung Province is the goal of this study. This study uses secondary data sources from the djpk.kemenkeu.go.id website and the Lampung Province Central Statistics Agency (BPS) website. The methodology of this study is quantitative, and it analyzes 15 districts and cities utilizing Eviews 13 software by employing the "random effect model" or REM method. According to the study's findings, HDI in Lampung Province increased between 2018 and 2021 as a consequence of improvements in GRDP, life expectancy, educational infrastructure, and health function spending. Meanwhile, the variables Economic Growth, Health Infrastructure, and Education Function Expenditures did not influence the HDI in Lampung Province in the same period.

INTRODUCTION
According to the notion of human development, having a high income just makes people's choices wider, but it does not ensure that they will have a good standard of living (Yakunina & Bychkov, 2015). A valuable tool for comparing life expectancy, literacy rates, living conditions, and levels of worldwide education is the Human Development Index, or HDI. With the help of the Human Development Index, it is possible to categorize a nation or territory as either developed, developing, or undeveloped in terms of development. This indicator makes it simpler to assess if efforts to improve people's quality of life have been successful (Sapaat et al., 2020). People's wellbeing will rise in step with advancements in the economic sector since economic growth is
defined as an increase in production per capita and is sustainable over time. A rise in the output of products and services is regarded as an indicator of faster economic growth. Economic growth, together with factors such as infrastructure, development, and education, plays an important role in human development by increasing the production of services and goods in a country (Ningrum et al., 2020) . Although there is a significant correlation between income level and the Human Development Index, the Human Development Index does not rise only as a result of economic growth. The increase in economic growth that occurs cannot always be applied to improve health and education indicators.

This causes an increase in the Human Development Index (HDI) but does not always have an impact on increasing income (Dewi et al., 2017) . How the government spends its money on the education sector can have an impact on human growth. The portion of the government budget given to the education sector can create a quality education system for all individuals. This can increase population productivity and contribute to the progress of human development (Hadinata et al., 2020) . Province, which is one of ten provinces on the island of Sumatra, consists of 13 districts and 2 cities. According to the BPS (2021), Lampung Province had the lowest level of human development index in 2018–2021, ranking 10th among other provinces on the island of Sumatra. As explained in Graph 1,

Graph 1: Provincial HDI on Sumatra Island, 2018-2021

In graph 1, the HDI of Lampung Province has increased over time, as can be seen from the increase in the percentage of HDI indicators from 2018 to 2021. In 2021, the HDI of Lampung Province reached 69.90. Despite the increase, Lampung Province's HDI is below the average of other provinces on the island of Sumatra. This indicates that human development in this province is lagging behind compared to surrounding provinces on the island of Sumatra. Even though Lampung Province has strategic potential as the main gateway to Sumatra Island, which is close to the provincial capital, DKI Jakarta, public sector development and investment efforts in the fields of education, health, economy, and social welfare here still need to be improved. Therefore, the government needs to optimize the allocation of economic resources in Lampung Province in order to increase the welfare and happiness of its population.

A number of previous studies have attempted to investigate the influence of economic growth, life expectancy, gross domestic product, health infrastructure, health expenditure, and education on HDI. For example, studies conducted by researchers such as (Diba.AOf et al., 2018) , (Dewi et al., 2017) , (Arofah & Rohimah, 2019) , (Maryozi et al., 2022) , (Sapaat et al. al., 2020) ,
(Ningrum et al., 2020) and (Khadijah et al., 2022) have highlighted the influence of independent variables on HDI. In-depth research is needed to develop a strong understanding regarding the factors that influence the level of human development in Lampung province. The problem that researchers pose is as follows: How do the variables of economic growth, life expectancy, GRDP, health and education infrastructure, and health and education expenditure contribute to the HDI of Lampung Province?

**LITERATURE REVIEW**

**Main Theory**

Becker explained the theory of *human capital*, namely that humans are not just resources but can take the form of capital. Human capital has a vital role, which can be seen through various aspects, namely income, health, or education, or if there are good habits that continue to increase in life to support their productivity (Ramadanisa & Triwahyuningtyas, 2022). Some of these descriptions can be considered human capital because humans are closely related to their health, knowledge, skills, and other values related to their finances and physicality. Becker added that human capital refers to the availability of human production skills and knowledge through education and health. A high level of education and health represents a higher level of desired human capital. On this basis, government investment is very necessary to support the development of quality human resources. This matter is intended for all levels of society, namely obtaining rights fairly, bearing in mind that in its implementation, poor people have difficulty accessing health or educational facilities because their income is only focused on efforts to meet food needs.

**Human Development Index (HDI)**

The HDI, which takes into account relevant developments in the fields of health, education, and real income per capita, is used to assess the socioeconomic development of a region. A composite index called the HDI may be used to assess a region's or nation's overall performance as well as to broaden people's options (Asmawani & Pangidoan, 2021). Humans have a wide range of options that are dynamic, according to the concepts used. To obtain dignity in life, people can choose between three basic options at all stages of growth, including living a long and healthy life, acquiring an education, and having access to sources of food and water.

**Economic growth**

Based on the theoretical basis presented by Professor Kuznet, the criteria for modern economic growth are determined by high growth in output per capita (Andri, 2022). GDP per capita is the goal of output growth. High output growth causes changes in consumption habits, particularly when requirements are being met. In this approach, per capita growth is sparked by rising economic growth, which also alters consumption habits due to rising purchasing power. High public purchasing power can trigger an increase in HDI, considering that public purchasing power is a composite benchmark in HDI, which is known as an income indicator. On this basis, it can be concluded that higher economic growth can certainly trigger an increase in HDI. 

H1: Economic growth significantly influences HDI.

**Life expectancy (AHH)**

AHH measures a person's level of health in a certain location. The average number of years a newborn will survive after birth throughout a specific time, or AHH at birth (Yektiningsih, 2018). AHH is a tool that assesses how well the government is doing at enhancing population welfare generally and can particularly raise the bar for public health. Programs for health improvement and other social initiatives, such as those to end poverty and promote environmental health, must be implemented in areas with low life expectancy.
AHH, especially, is a tool for assessing how effectively the government is doing at enhancing social welfare generally and, more specifically, optimizing health levels. A high life expectancy rate shows the government's success in implementing health development, thus influencing the increase in human development.

H2: AHH significantly influences HDI.

**Gross Regional Domestic Product (GRDP)**

Using gross regional domestic product (GRDP) statistics, which can utilize either current prices or constant prices, is the most crucial benchmark for determining the economic circumstances in an area during a certain period of time. The focus is placed on process elements, production per capita, and the long term while discussing economic growth, which is defined as a rise in output per capita over an extended period of time. It is necessary to carry out development that includes targets, such as efforts to equalize growth in all regions so that development between regions is even; directing regional development based on the capabilities of regional aspirations and potential for the benefit of national or regional development; and developing interregional economic relations that benefit all parties. Regional development is carried out to minimize disparities in economic growth between regions.

Kuznet said that the criteria for modern economic growth, namely high output per capita (Andri, 2022). The purpose of output growth is gross regional domestic product (GRDP) per capita. The consumption patterns of individuals change as production growth is high. Since people's purchasing power is a composite indicator that is used to create the human development index (HDI), which may be expressed in terms of income, increasing people's purchasing power can have an impact on the HDI.

H3: Gross regional domestic product has a significant influence on HDI.

**Health and education infrastructure**

Canning and Pefroni said that infrastructure is an externality. Various infrastructures, for example, roads, education, health, and so on, have positive externalities. Providing support if the facilities provided by various infrastructures are positive externalities so that they can optimize the productivity of all inputs during the production stage. Infrastructure facilities not only have the function of serving various public interests but also play a role in private activities in the economic sector. Infrastructure requirements are preferences; there are no general standards to determine how many facilities are appropriate in an area. Edwin (in Permatasari: 2014) classifies public infrastructure into service facilities and production facilities. Service facilities are divided into education, namely educational agencies, institutions, and public libraries; and health, namely hospitals and all supporting facilities. In practice, health level is measured based on life expectancy (Pane et al., 2021). This indicator is one of several elements for calculating the human development index (HDI). Health services through hospitals, community health centers, and other health services are at least capable of optimizing the quality of health that can reach all communities for equitable health development. Developing health infrastructure can be done in quantity or quality, so it can improve the quality of human resources, thereby triggering an increase in HDI because health is one of the indicators.

H4: Health and education infrastructure significantly influence HDI.

**Expenditure for Education and Health Functions**

To fund the implementation of government matters that are under the province's control, education spending is a regional expense, district, or city in the field of education. According to Law No. 20 of 2003 Governing the Allocation of Education Funds, the State Revenue and Expenditure Budget (APBN) and the Regional Revenue and Expenditure Budget (APBD) both require that the education sector get at least 20% of each. In addition to salaries for teaching staff and official education costs. Education plays a vital role in improving human resources. On this basis, education spending is an absolute obligation and should be carried out by the government in
order to provide educational services or facilities. Spending on educational functions can later optimize the quality of human welfare. Spending on education can optimize human resources because this spending is a form of the government's commitment to investing in human resource development. This investment is clearly known as the formation of human capital. Human capital makes it clear that HR is a production factor that plays a vital role, apart from HR, capital resources, and entrepreneurship, in creating output (Fajar & Indrawati, 2020). The efficiency and production of a nation are at their highest when its human resources are of the highest quality. This makes it clear that countries that implement a development paradigm with a human dimension can develop, even though they do not have sufficient natural resource wealth.

Particularly, regional health expenditure is beneficial for financing governmental issues that fall under the purview of the province, district, or city in the health sector. Important to keep in mind is that Law No. 36 of 2009's Article 171 Paragraph (2), the amount of the government health budget is budgeted at a minimum of 10% of the APBD, excluding salaries. Todaro & Smith (2012) also provided insight into health spending, stating that government spending on the health budget sector is done to ensure that everyone has access to health services, such as facilities and services, as a requirement for maximizing community productivity. Government spending in the health sector can affect human development. Because the health sector is not based on the private sector or the market but tends to focus on services, which are generally the responsibility of the government (Fajar & Indrawati, 2020). By providing government funds to the health sector, it is possible to improve human health. By increasing the allocation of expenditures, it can certainly maximize community productivity, which also optimizes human development.

H5: Functional spending and education significantly influence HDI.

METHODS

This research relies on secondary data obtained through literature regarding the correlation between HDI and various factors, including economic growth, life expectancy, gross domestic product, health infrastructure, education, and health and education expenditure. The data for this study comes from BPS Lampung Province and the Directorate General of Financial Balance (djpk.kemenkeu.go.id). This study's approach is quantitative, with panel data regression techniques. This research sample includes 15 observations, which are districts or cities in Lampung Province. Data analysis was carried out using Eviews 13 software. There are eight variables in this study, with HDI as the dependent variable, as well as seven independent variables, namely economic growth, life expectancy, GRDP, health infrastructure, education infrastructure, health function expenditures, and education function expenditures. Panel data from the study allow for the analysis of a variety of regression models, including the "Common Effect Model," "Fixed Effect Model," and "Random Effect Model." Based on the outcomes of statistical tests including the Chow test, Hausman test, and Lagrange multiplier (LM) test, one of these three models will be chosen for panel data analysis. Then, more statistical tests were used, including the standard assumption test, which includes the heteroscedasticity test, multicollinearity test, and normality test, as well as tests for verifying the validity of the hypothesis, including the simultaneous significance test (f test) and partial significance test (t test). To quantify the level of independence, we shall focus on the coefficient of determination, or R2.

RESULTS

Analysis Results
1. Normality Test

Table 1. Normality Test

![Normality Test Table](image)

Source: EViews 13 Data Processing Results

The table shows the probability value of 0.277104 above 0.05. On this basis, the residual data has a distribution that is close to normal, and the regression model conforms to the assumption of normality.

2. Multicollinearity Test

Table 2. Multicollinearity Test

<table>
<thead>
<tr>
<th></th>
<th>X1_PE</th>
<th>X2_AHP</th>
<th>X3_PDRB</th>
<th>X4_JP</th>
<th>X5_JS</th>
</tr>
</thead>
<tbody>
<tr>
<td>X1_PE</td>
<td>1.000000</td>
<td>-0.073313</td>
<td>-0.024843</td>
<td>-0.060582</td>
<td>-0.044328</td>
</tr>
<tr>
<td>X2_AHP</td>
<td>-0.073313</td>
<td>1.000000</td>
<td>0.413621</td>
<td>0.342124</td>
<td>0.519094</td>
</tr>
<tr>
<td>X3_PDRB</td>
<td>-0.024843</td>
<td>0.413621</td>
<td>1.000000</td>
<td>0.900604</td>
<td>0.951568</td>
</tr>
<tr>
<td>X4_JP</td>
<td>-0.060582</td>
<td>0.342124</td>
<td>0.900604</td>
<td>1.000000</td>
<td>0.905697</td>
</tr>
<tr>
<td>X5_JS</td>
<td>-0.044328</td>
<td>0.519094</td>
<td>0.951568</td>
<td>0.905697</td>
<td>1.000000</td>
</tr>
</tbody>
</table>

Source: EViews 13 Data Processing Results

According to 2013 research by Ghozali, if the correlation matrix doesn’t reveal a value greater than 0.90, there is no evidence of multicollinearity in the model. The results from the table (APBD) indicate that multicollinearity has no effect on the regression model because the tolerance value for each independent variable is less than 0.90.

Heteroscedasticity Test

Table 3. Heteroscedasticity Test

Heteroskedasticity Test: Breusch-Pagan-Godfrey
Null hypothesis: Homoskedasticity

<table>
<thead>
<tr>
<th></th>
<th>F-statistic</th>
<th>Prob. F(7,52)</th>
<th>Obs*R-squared</th>
<th>Prob. Chi-Square(7)</th>
<th>Scaled explained SS</th>
<th>Prob. Chi-Square(7)</th>
</tr>
</thead>
<tbody>
<tr>
<td>F-statistic</td>
<td>1.541395</td>
<td>0.1742</td>
<td>10.31037</td>
<td>0.1717</td>
<td>13.33805</td>
<td>0.0643</td>
</tr>
</tbody>
</table>

Source: EViews 13 Data Processing Results

As a consequence of the investigation, the Breusch-Pagan Godfrey F (F-statistic) probability was calculated to have a value of 0.1742, which is more than the 0.05 alpha significance threshold. This suggests acceptance of the null hypothesis. It therefore satisfies one of the conditions of the
conventional assumption since the heteroscedasticity test findings show that there is no heteroscedasticity concern.

Selection of Panel Data Model

1. Chow Test

The Common Effect Model (CEM) and the Fixed Effect Model (FEM) were compared in this test to discover which model, when used in the context of panel data analysis, was the most suitable. This choice is based on the cross-section F statistical test's estimate of probability (p). If the p value is above 0.05, the recommended model is CEM. Another thing is that if the p value is below 0.05, the more appropriate model is FEM.

<table>
<thead>
<tr>
<th>Effects Test</th>
<th>Statistic</th>
<th>d.f.</th>
<th>Prob.</th>
</tr>
</thead>
<tbody>
<tr>
<td>Cross-section F</td>
<td>0</td>
<td>(14,38)</td>
<td>0.0000</td>
</tr>
<tr>
<td>Cross-section Chi-square</td>
<td>392.456234</td>
<td>14</td>
<td>0.0000</td>
</tr>
</tbody>
</table>

The probability value found from the cross-section F and chi-square statistical tests was 0.0000. This value is below the significance threshold of 0.05, thus causing rejection of the null hypothesis (H0). Thus, the best model for this analysis is one that adopts FEM.

2. Hausman Test

The Random Effect Model, or REM, and the FEM are compared using this test in order to decide which model is the most appropriate. This is based on the likelihood (p) of the outcomes of the random cross-section test. The REM model is advised if the p value is greater than 0.05. Another thing is that if p is below 0.05, the more appropriate model is FEM.

<table>
<thead>
<tr>
<th>Test Summary</th>
<th>Chi-Sq. Statistic</th>
<th>Chi-Sq. d.f.</th>
<th>Prob.</th>
</tr>
</thead>
<tbody>
<tr>
<td>Cross-section random</td>
<td>7.030174</td>
<td>7</td>
<td>0.4257</td>
</tr>
</tbody>
</table>

The Hausman test results show that the random cross-section probability has a value of 0.4257, exceeding the significance threshold of 0.05. Therefore, the model that will be used in this analysis is REM.

3. Lagrange Multiplier (LM) Test
Table 6. Lagrange Multiplier Test Results

| Source: EViews 13 Data Processing Results |

The Breusch-Pagan (BP) probability has a value of 0.0000, which is less than the 0.05 alpha significance criterion, according to the study's findings. This suggests that the null hypothesis is not true. The results of the Lagrange multiplier (LM) test indicate that REM is the most suitable model.

Hypothesis testing

1. Regression Equation

Table 7. Random Effect Model

<table>
<thead>
<tr>
<th>Variable</th>
<th>Coefficient Std. Error</th>
<th>t-Statistic</th>
<th>Prob.</th>
</tr>
</thead>
<tbody>
<tr>
<td>C</td>
<td>-48.24996</td>
<td>7.029567</td>
<td>-6.863860</td>
</tr>
<tr>
<td>X1_PE</td>
<td>0.001380</td>
<td>0.006903</td>
<td>0.199906</td>
</tr>
<tr>
<td>X2_AHP</td>
<td>1.774303</td>
<td>0.116032</td>
<td>15.29156</td>
</tr>
<tr>
<td>X3_PDRB</td>
<td>5.84E-08</td>
<td>1.77E-08</td>
<td>3.302794</td>
</tr>
<tr>
<td>X4_JP</td>
<td>-0.011351</td>
<td>0.007327</td>
<td>-1.549331</td>
</tr>
<tr>
<td>X5_JS</td>
<td>-0.038638</td>
<td>0.009579</td>
<td>-4.033422</td>
</tr>
<tr>
<td>X6_BFK</td>
<td>-0.214917</td>
<td>0.088781</td>
<td>-2.420742</td>
</tr>
<tr>
<td>X7_BFP</td>
<td>0.037939</td>
<td>0.103960</td>
<td>0.364936</td>
</tr>
</tbody>
</table>

Source: EViews 13 Data Processing Results

\[ Y = -48.24 + 0.001 \times X1 + 1.77 \times X2 + 5.84 \times X3 + (-0.01) \]

2. Coefficient of determination interpretation

Table 8. Determination Coefficient

<table>
<thead>
<tr>
<th>R-squared</th>
<th>Adjusted R-squared</th>
</tr>
</thead>
<tbody>
<tr>
<td>0.926279</td>
<td>0.916355</td>
</tr>
</tbody>
</table>

Source: EViews 13 Processing Results

The results of the investigation indicate that the adjusted coefficient of determination (Adjusted R2) is 0.916, which means that independent variables like economic growth, life expectancy, GRDP, health infrastructure (number of community health centers), education infrastructure (number of schools), and function costs for both health and education can account for up to 91.6% of the variation in the dependent variable (HDI). While the remaining 8.4% in this research can be attributable to other elements,

3. Simultaneous Significance Test (F Test)
This test tries to shed light on how the independent variable affects the dependent variable as a whole. The following are the requirements for this test:

1. Null Hypothesis (H0): The independent variable has no significant influence if the probability (F-statistic) is above 0.05.
2. Alternative Hypothesis (Ha): The independent variable has a significant effect if the probability (F-statistic) is < 0.05.

<table>
<thead>
<tr>
<th>Table 9. F test</th>
</tr>
</thead>
<tbody>
<tr>
<td>F-statistic</td>
</tr>
<tr>
<td>Prob(F-statistic)</td>
</tr>
</tbody>
</table>

Source: Eviews 13 Data Processing Results

The test results simultaneously indicate that the variables Economic Growth, Life Expectancy, Gross Regional Domestic Product, Health Infrastructure (Number of Community Health Centers), Education Infrastructure (Number of Schools), as well as Health Function Costs and Education Function Costs have a significant impact on the HDI level in Lampung Province. This is evident from the probability value (F-statistic) below 0.05, namely 0.00.

4. Partial Significance Test (t Test)

Using the t test, you may determine whether or not independent factors significantly affect the dependent variable, assuming that other variables are held constant. The test criteria are:

1. H0: The independent variable does not have a substantial influence if the probability is > 0.05.
2. Ha: The independent variable has a substantial influence if the probability is < 0.05.

So, life expectancy, GRDP, educational infrastructure, and health function expenditures have a significant influence on HDI. On the other hand, economic growth, health infrastructure, and education function expenditures do not significantly influence the HDI.

DISCUSSION

The influence of economic growth on the HDI of Lampung Province for the 2018-2021 period

In the regression analysis, it was found that the regression coefficient for the economic growth variable was around 0.001380, with a significance level of 0.8423. These results show that there is no significant impact that can be identified from the economic growth variable on the HDI of Lampung Province during the 2018–2021 period. This finding is consistent with previous research, such as the study of (Khadijah et al., 2022) in their research entitled "The Effect of Economic Growth and Population on the Human Development Index in Simalungun Regency", as well as the study of (Ningrum et al., 2020) entitled "The Influence of Poverty, Unemployment Rate, Economic Growth, and Government Expenditures on the Human Development Index (HDI) in Indonesia 2014-2018 from an Islamic Perspective". These results consistently show that economic growth does not have a significant impact on HDI. In addition, the findings in this study are in accordance with the theoretical concepts proposed by Professor Kuznet and state that a significant increase in output per capita is one of the characteristics of modern economic growth.

The influence of Life Expectancy (AHH) on the HDI of Lampung Province for the 2018-2021 period

The regression coefficient for the AHH variable is around 1.774303, with a significance of 0.0000. From these results, the AHH variable has a significant and positive influence on the HDI of Lampung Province during the 2018–2021 period. This finding is in line with the results of the study (Arofah & Rohimah, 2019), "Path Analysis for the Influence of Life Expectancy, Expected Years of Schooling, and Average Years of Schooling on the Human Development Index through Real
Expenditure Per Capita in East Nusa Tenggara Province", as well as studies conducted by Asmawani & Eddy entitled "The Influence of Life Expectancy, Average Years of Schooling, Economic Growth, and Per Capita Expenditure on the Human Development Index". Thus, these findings confirm that life expectancy has a significant influence on increasing HDI.

The influence of GRDP on the HDI of Lampung Province for the 2018-2021 period

The regression coefficient for the GRDP variable is around 5.84E-08, with a significance level of 0.0017. These results illustrate the significant and positive influence of GRDP on the HDI of Lampung Province during the 2018–2021 period. This finding is consistent with previous research findings, such as Diba, Fathorrazi, and Somaji's study in "The Influence of Poverty, GRDP, and Original Regional Income on the Human Development Index in East Java" (2018), as well as research conducted by Sapaat, Lapian, and Tumangkeng in "Analysis of Factors Affecting the Human Development Index in North Sulawesi Province 2005-2019" (2020). These results demonstrate the important role that GRDP plays in raising HDI.

The Influence of Health Infrastructure on the HDI of Lampung Province for the 2018-2021 period

The health infrastructure variable's regression coefficient is around -0.011351, with a significance level of 0.1274. These results illustrate that health facilities did not significantly influence the HDI of Lampung Province during the 2018–2021 period. This finding is in line with (Sinaga, 2020) study entitled "The Impact of Infrastructure on the Human Development Index in Expanded Provinces in Indonesia for the 2015–2019 Period." This research also confirms that health facilities do not have a significant impact on increasing HDI.

The Influence of Educational Infrastructure on the HDI of Lampung Province for the 2018-2021 period

The regression coefficient on the education infrastructure variable is -0.038638, with a significance level of 0.0002. These results make it clear that the education infrastructure variable has a substantial influence on HDI in Lampung Province in 2018–2021. This is the same as the study (Mohanty et al., 2016) with the title, "Does Infrastructure Affect Human Development? Evidence from Odisha, India", which emphasizes that educational infrastructure influences the Human Development Index.

The Influence of Health Function Expenditures on the HDI of Lampung Province for the 2018-2021 period

The health function expense variable's regression coefficient is around -0.214917, with a significance level of 0.0190. These findings demonstrate that, between 2018 and 2021, health function expenditures significantly improved Lampung Province's HDI. These results are in line with a study by (Maryozi et al., 2022) entitled "The Influence of Expenditures in the Fields of Education, Health, and Road Infrastructure on the Human Development Index (HDI) in Riau Province". Their findings also confirm that health function spending has a significant influence on HDI.

The Influence of Educational Function Expenditures on the HDI of Lampung Province for the 2018-2021 period

The regression coefficient for the Education Function Expenditure variable is around 0.037939, with a significance level of 0.7166. This shows that education function expenditures did not significantly influence the HDI of Lampung Province during the 2018–2021 period. This finding is in line with (Putra, 2017) which explains that educational spending does not significantly influence HDI, as recorded in the study entitled "The Impact of Government Expenditures on Economic Growth and Human Development Index in Indonesia's Borders".
CONCLUSION

The results of this study conclude the influence of the seven independent variables on the HDI of Lampung Province. Simultaneously, the seven independent variables, namely Economic Growth, Life Expectancy, Gross Regional Domestic Product, Health Infrastructure (Number of Community Health Centers), Education Infrastructure (Number of Schools), Health Function Costs, and Education Function Costs, have an effect on the HDI level of Lampung Province, as supported by a significant probability value (F-statistic) below 0.05, namely 0.00. Partially, the variables of economic growth, health infrastructure, and spending on education functions did not have a significant impact on the HDI of Lampung Province during the 2018–2021 period. Variables: life expectancy, GRDP, educational infrastructure, and health function spending had a significant impact on the HDI of Lampung Province during the 2018–2021 period. The coefficient of determination (adjusted R²) reached 0.916, which is equivalent to 91.6%.

These results show that around 91.6% of variations or changes in HDI can be explained by variations in the variables economic growth, life expectancy, gross regional domestic product, health infrastructure (number of health centers), education infrastructure (number of schools), health function costs, and educational function costs. As a result, approximately 8.4% of the remaining variation is attributable to factors other than this study. Apart from that, the focus of this research is limited to seven factors, namely economic growth, life expectancy, GDP, educational infrastructure, health infrastructure, education expenditure, and health expenditure.

SUGGESTION

Based on the research results, the researcher provided suggestions to the Lampung provincial government and subsequent researchers. For the Lampung Province government, it is best to optimize the allocation of economic resources in Lampung Province so that it can optimize the welfare and happiness of its population, which will then be able to optimize the HDI in Lampung Province.

REFERENCES


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