

Effect of Government Expenditure in Education Sector and Health Sector on Human Development Index and Poverty in Samarinda City

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ABSTRACT

The purpose of this research is to analyze the effect of government expenditure in education sector and health sector on human development index and poverty in Samarinda City. The research method used is a quantitative method. Data collection is carried out using library research methods. The analytical tool that will be used in this research is path analysis. The results of the study show that government expenditure in education sector has a positive and insignificant effect on human development index in Samarinda City. Government expenditure in health sector has a positive and significant effect on human development index in Samarinda City. Government spending in education sector has a negative and significant effect on poverty in Samarinda City. Government expenditure in health sector has a negative and insignificant effect on poverty in Samarinda City. Human development index has a positive and insignificant effect on poverty in Samarinda City. Through mediating or intervening variable, namely human development index, it shows that government expenditure in education sector has a positive and insignificant effect on poverty in Samarinda City. Through mediating or intervening variable, namely human development index, it shows that government expenditure in health sector has a positive and insignificant effect on poverty in Samarinda City.

Keywords: Education, Health, Human Development Index, Poverty

INTRODUCTION

Poverty until now is a serious problem being faced by the world, especially in developing countries including Indonesia. Poverty is born together with the limitations of some humans in meeting their needs. Poverty has existed for a long time in almost all human civilizations. In every part of the world it is certain that there are conglomerate groups and disadvantaged groups. Where, the conglomerate class is always able to meet their needs, while the poor live in material limitations that make it difficult to make ends meet. As a problem that becomes a global issue in every developing country, the discourse on poverty and its eradication must become a mandatory agenda for the governments of these countries in determining their government policies (Jhingan, 2003).

Poverty is a complex problem because poverty is not only related to problems of low levels of education, health and the powerlessness of the poor to participate in the development process. The Central Bureau of Statistics for Indonesia in 2019 defines poverty as a condition of life that is completely lacking experienced by a person or household so that they are unable to meet the minimum or proper needs for their lives. BPS noted that in March 2018 Indonesia experienced its lowest point in terms of poverty percentage since 1999 at 9.82 percent. With this poverty percentage, the number of poor people or those whose

monthly per capita spending is below the poverty line reaches 25.95 million people. Various socio-economic variables that can affect the poverty of the population in a country or region, among others, are related to income, education, access to fulfilling the need for goods and services, geographic location, gender and environmental conditions. Thus, poverty is not only understood as economic incapacity, but also failure to fulfill basic rights and differences in treatment of individuals or groups of individuals in living their lives in a dignified manner. Basic rights that are generally recognized include meeting the needs for food, health, employment, housing, clean water, land, natural resources, the environment, and a sense of security from treatment or threats of violence (Sirojuzilam, 2008).

Human development index describes the achievements of human development as measured on the basis of a number of basic components of quality of life, namely a long and healthy life, knowledge and educational attainment, and a decent life as represented by purchasing power. The high value of human development index illustrates the government's seriousness and success in investing in human-centred development aimed at increasing people's productivity.

Human development is defined as the process of expanding the choices of people. Human development index is an important indicator to measure success in efforts to build the quality of human life. Human development index explains how people can access development outcomes in terms of income, health, education, and so on. Human resource development can be done by improving human capital. Human capital can refer to education, but is also used to describe another type of human investment, namely investment that drives towards a healthy population, namely health itself (Mankiw, 2006).

Education and health are fundamental development goals. Health is the essence of well-being, and education is the main thing to achieve a decent life. Education has an

important role in shaping the ability of a developing country to absorb modern technology and to develop capacities, in order to create sustainable growth and development (Todaro, 2000).

The government has a function in terms of allocation, distribution, stabilization and dynamics. The government will carry out development spending as a step to carry out these functions. Development spending is government spending to meet development needs. One of the goals of development is to improve people's welfare. Community welfare can be realized with basic needs such as education and health.

The purpose of this research is to analyze effect of government expenditure in education sector and health sector on human development index and poverty in Samarinda City.

RESEARCH METHODS

The research method used is a quantitative method. Quantitative method is a research method that uses a lot of numbers, starting from collecting data, interpreting the data obtained, and presenting the results (Moleong, 2006). Furthermore, this method relies on objective measurement and mathematical or statistical analysis of the data obtained to prove or test the hypotheses proposed in the study. The purpose of quantitative method is to compile the subjects studied, the data collected, and the data sources needed, as well as the data collection tools used according to what was planned beforehand (Sugiyono, 2001).

Data collection is carried out using library research methods, namely a series of activities related to library data collection methods (Mahmud, 2011). Data collection through literature studies from government agencies, libraries, economics books, scientific journals, and various articles that have been published.

The analytical tool that will be used in this research is path analysis. This path analysis method is used to analyze the pattern of relationships between variables. The purpose of path analysis is to determine the

direct or indirect effect of a set of independent or exogenous variables on the dependent or endogenous variable. The influence on the path is shown by the path coefficient on each path diagram from the causal relationship between the independent variables on the dependent variable (Sunyoto, 2011). Path analysis is an extension of multiple linear analysis, or path analysis is the use of regression analysis to estimate the causal relationship between variables or a predetermined causal model based on theories (Ghozali, 2016). Path analysis uses mediating or intervening variable which is connecting variables for effect of the independent variables on the dependent variable.

RESULTS

General Description

Geographical and demographic aspects are spatial and fundamental information in analyzing the general description of the condition of the Samarinda City area. The elaboration of geographical aspects in development planning documents will provide a complete picture of the characteristics of Samarinda City area both in terms of area and boundaries, geographical location, topography, and land use in regional development. Apart from that, various regional development potentials will also be seen up to the identification of disaster-prone areas. Meanwhile, the demographic aspect in regional development will provide size, structure, and distribution of the population both serially and regionally. Analysis of this demographic aspect is important considering that the subject as well as the object of development is the community or residents, so that the relationship between demographics and other aspects will need to be considered carefully.

Samarinda City is the capital of East Kalimantan Province, whose land area consists of two regions, namely the city area and the other side. Geographically, the mainland Samarinda City is located on the

equator and is divided by the Mahakam River.

The composition of the population in terms of demography is the composition of the population according to age and sex. These two variables greatly affect population growth in the future. For example, the government wants to plan the implementation of compulsory education for the school-age population, it is necessary to know the number of school-age residents both now and in the future.

When grouped according to 10 regions in East Kalimantan Province, out of a population of 3,721,389 people, Samarinda City as the provincial capital has the largest population with a total of 872,768 people or 23.45 percent of the total population of East Kalimantan living in this region. On the other hand, the division area, namely Mahakam Ulu Regency, has the lowest population composition compared to the others, namely 26.375 people or 0.71 percent. The population concentration is generally in urban areas or regional centers and in several big cities in East Kalimantan such as Balikpapan and Bontang.

Hypothesis Testing

To see how big the role of exogenous variables is to endogenous variables, researchers use standardized or standardized regression coefficients. Regression coefficient is the sum of the changes that occur in dependent variable caused by changes in values of independent variables. To calculate the change, it can be done by multiplying the actual predictor value or observation for certain cases or data with predictor's regression coefficient (Kuncoro, 2013:349).

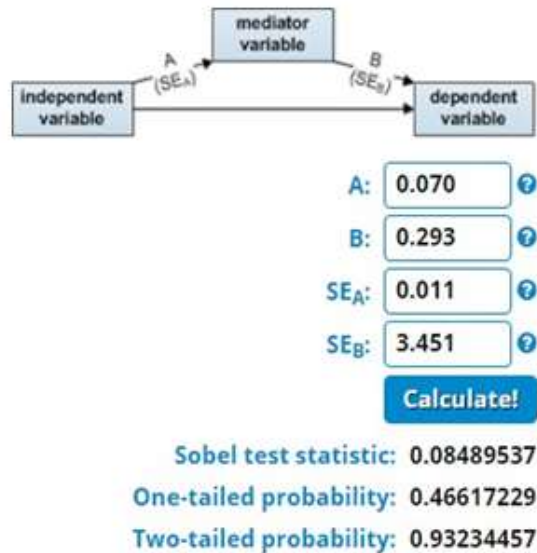
Based on the results of the analysis, it is known that magnitude of direct and indirect effect, as well as effect of government expenditure in education sector (X_1) and health sector (X_2) as an endogenous variable on exogenous variables namely poverty through human development index (Y_1) as an intervening variable to dependent variable is poverty (Y_2).

Table 1. Value of Path Coefficient and Hypothesis Testing

Hypothesis	Variable	Standardized Coefficient(β)	t_{count}	Sig.
1	$X_1 \rightarrow Y_1$	0.070	0.394	0.700
2	$X_2 \rightarrow Y_1$	0.803	4.549	0.001
3	$X_1 \rightarrow Y_2$	-0.638	-3.087	0.010
4	$X_2 \rightarrow Y_2$	-0.506	-1.493	0.164
5	$Y_1 \rightarrow Y_2$	0.293	0.874	0.401

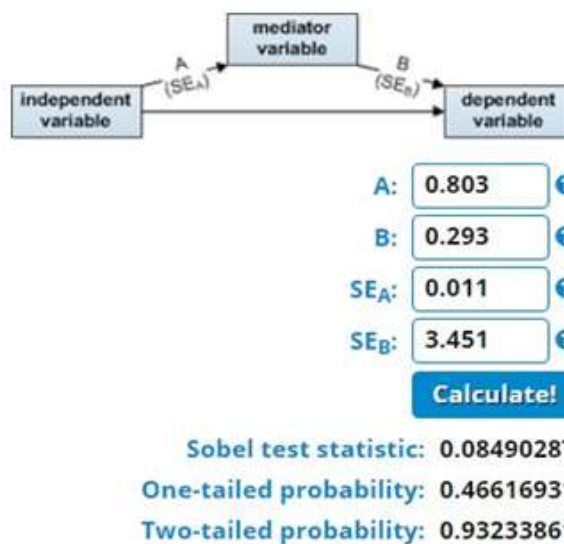
Source: Output SPSS 25.0

Figure 1. Sobel Test Government Expenditure in Education Sector to Poverty through Human Development Index



Source: Output SPSS 25.0 and Sobel Test

Figure 2. Sobel Test Government Expenditure in Health Sector to Poverty through Human Development Index



Source: Output SPSS 25.0 and Sobel Test

The results of the study show that government expenditure in education sector has a positive and insignificant effect on human development index in Samarinda City. This can be interpreted that as a policy instrument that has been implemented by

Samarinda City Government spending allocated to education sector has so far been appropriate in supporting human development from the educational dimension, although it is not yet optimal.

Government expenditure in health sector has a positive and significant effect on human development index in Samarinda City. This means that Samarinda City Government spending allocated to the health sector is fully optimal for improving human development from the health dimension.

Government spending in education sector has a negative and significant effect on poverty in Samarinda City. This means that efforts to reduce poverty levels with educational programs aimed at improving the quality of human resources for people of productive age have been properly implemented by Samarinda City Government. So that the workforce with quality education can be maximally absorbed in the labor market and welfare can grow massively.

Government expenditure in health sector has a negative and insignificant effect on poverty in Samarinda City. This phenomenon is characterized by the basic needs of the population, the main of which is the health dimension. The formation of quality human resources has started since birth with the government's efforts to build the availability of health facilities. However, the age of the productive population is not fully aligned with employment. So it has little impact on poverty reduction.

Human development index has a positive and insignificant effect on poverty in Samarinda City. With the increase in human development index from year to year, it has less real impact on reducing poverty rate. The increase in population each year is mainly due to migration flows, which are not matched by improvements in the quality of health, education, and purchasing power parity for the food and non-food groups.

Through mediating or intervening variable, namely human development index, it shows that government expenditure in education sector has a positive and insignificant effect on poverty in Samarinda City. Realization of government expenditure in education has so far focused on the intensity of the population receiving education in urban

areas, so that those in remote sub-districts and villages are less accessible. Thus, the distribution of human development index that is correlated with the dimensions of education is not comprehensive. Not all residents who live in remote areas feel the revitalization of development in the education sector and prefer to work in capital-intensive sectors or agriculture and plantations rather than labor-intensive ones such as micro, small, and medium enterprises. This of course has no effect on the government's efforts to reduce poverty.

Through mediating or intervening variable, namely human development index, it shows that government expenditure in health sector has a positive and insignificant effect on poverty in Samarinda City. The role of human development index is not fully optimal and reflects the quality of improvement in the health sector. The increasing composition of the population and unhealthy lifestyles or instant food, unhealthy lifestyles, and dependence on technology that is actually not in accordance with work needs, as well as other complex matters that have a negative impact on public health are certainly a burden for the government. The limited public sector budget through health services cannot reach those who are in isolated areas, so that the population depends more on non-medical matters in improving their health. Residents outside the urban areas also tend to work in the primary sectors which in general have incomes below the average and consequently with a minimum level of welfare, it is still difficult to reach basic needs, let alone encouragement to reach health facilities and infrastructure.

CONCLUSION AND SUGGESTION

The results of the study show that government expenditure in education sector has a positive and insignificant effect on human development index in Samarinda City. Government expenditure in health sector has a positive and significant effect on human development index in Samarinda City. Government spending in education

sector has a negative and significant effect on poverty in Samarinda City. Government expenditure in health sector has a negative and insignificant effect on poverty in Samarinda City. Human development index has a positive and insignificant effect on poverty in Samarinda City. Through mediating or intervening variable, namely human development index, it shows that government expenditure in education sector has a positive and insignificant effect on poverty in Samarinda City. Through mediating or intervening variable, namely human development index, it shows that government expenditure in health sector has a positive and insignificant effect on poverty in Samarinda City.

Recommendations that can be taken to answer the problem based on conclusion with several policy implications include:

1. The problem of poverty is not an easy problem to solve. Even though human development index continues to increase, economic growth grows steadily and government spending continues to increase, it turns out that this does not necessarily reduce the number of poor people, in fact there is a tendency to increase it. For this reason, it is necessary to develop a pro-poor development model through entrepreneurship training to the villages. Synergizing village fund management with community empowerment programs, family planning, job creation, and optimizing existing potential in rural areas is an alternative to reducing poverty.
2. The government needs to re-evaluate the implementation of policies related to programs that have direct contact with the education and health sectors. This is very important considering that these two fields are vital instruments for realizing quality human development, so that residents are expected to have proper preparation in competitive competition, reach suitable jobs, and

improve their respective per capita welfare levels.

3. The government is expected to make a development strategy, especially for the poor so that economic growth can reduce the number of poor people by improving the social system and carrying out community empowerment.
4. The government needs to maintain an increase in human development index. It is hoped that Samarinda City government will improve the quality of human resources by improving public services, education services, health, purchasing power, and increasing income. While the community should actively participate, so that human development becomes better and reduces poverty levels.
5. In determining policies, the government must of course increase the level of government expenditure in the education sector, the level of health so that it can increase human development in order to create social welfare.
6. The community is expected to be able to take advantage of educational and health facilities that have been provided by the local government to support human development index figures can be further increased.
7. This research is expected to be a reference material for future studies by paying attention to things that are lacking in the use of variables, observation time, and complex analysis, so that it can thoroughly describe the actual conditions. The limitations of this study are also of particular concern to various policy-making parties, because the fundamental role does not only lie with the bureaucrats, but to what extent private and public support can develop properly again.

Declaration by Authors

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