

ABSTRACT

Human development is one of the indicators of the progress of a country. The development of a country cannot be said to be successful if it is only seen through economic growth without any efforts to increase human development. The government has a very important role in the success of a country's development through the policies it takes. This study aims to determine the effect of government spending on health, education, infrastructure, and economic sectors, as well as economic growth, on HDI in districts and cities of West Sumatra Province in 2010-2019.

This study uses secondary data sourced from the Central Statistics Agency and the Directorate General of Fiscal Balance, with HDI as the dependent variable and government spending on the health, education, infrastructure, and economic sectors as the independent variable. This study uses panel data with a cross section consisting of 12 districts and 7 cities in West Sumatra Province and a time series from 2010 to 2019. The analytical tool used to estimate the regression model in this study is the FE-GLS (Fixed Effect General Least Square).

The results of this study indicate that the variables of economic growth and government spending in the health sector have a positive and significant effect on HDI in districts/cities of West Sumatra Province, the variables of government spending in the economic sector have a negative and significant effect on HDI in districts/cities of West Sumatra Province, and the expenditure variable government education and infrastructure sector has no significant effect on HDI in districts/cities of West Sumatra Province.

Keywords: *HDI, Economics Growth, Government Spending on Health, Government Spending on Education, Government Spending on Infrastructure, Government Spending on Economics, FE-GLS*