

ABSTRACT

Human development is a process of increasing basic human abilities through various steps for human welfare. The purpose of human development is people can participate in all sectors of development. One of measurement of human development can be assessed from the human development index. Therefore, this research aimed to analyze the factors that influence the human development index in Indonesia. The factors that are chosen as variables in this research: GRDP per capita, regional expenditure, dependency ratio, poverty, and technology.

In this research, using secondary data which is panel data consisting of time series data for 6 years, starting from 2014 to 2019 and cross section data from 34 provinces in Indonesia. The analytical tool used in this research is a panel data regression with the fixed effect model. Fixed effect model used to determine the affect of independent variables on the human development index in Indonesia.

The results of this research indicate that: 1) GRDP per capita has a positive and significant effect on the human development index, 2) Regional expenditure has a positive and significant effect on the human development index, 3) The dependency ratio has a negative and significant effect on the human development index, 4) Poverty has an effect negative and significant effect on the human development index, and 5) Technology has a negative and significant effect on the human development index. Therefore, the existence of a high population density in Indonesia needs to be balanced with efforts to improve the quality of human resources. This is because the population is able to improve the national economy. So that it must be used optimally by the government to be able to increase economic development, especially to increase national welfare through investment in human resources.

Keywords: Human Development Index, GRDP Per Capita, Regional Expenditure, Poverty, and Technology.