

ABSTRACT

The development paradigm that currently developing is economic growth which measured by human development and its measurement is Human Development Index (HDI). Special Region of Yogyakarta has a high HDI in Indonesia, even in the last five years it is always above the National's HDI. However, the high HDI contrasts with several development. This study aims to analyze the effect of poverty, unemployment and economic growth to quality of human development in Special Region of Yogyakarta.

This study applied Fixed Effects Least Square Dummy Variable (FEM LSDV) method to measure the effect of poverty, unemployment and economic growth on the human development. The object of this study is four regencies and one city in Special Region of Yogyakarta in 2008 - 2017.

The results showed that three of variables which had been tested, unemployment had no significant effect on the quality of human development. Poverty had a significant negative effect on the quality of human development, which means if there is a decrease in poverty, the human development will be increase. Economic growth had a significant effect on the quality of human development, if there is an increase in economic growth, the human development will be increase as well.

Keywords: Human Development Index, economic growth, poverty, unemployment, fixed effects least square dummy variable.