

ABSTRACT

Human development is an important indicator in assessing the success of regional development. Central Java Province, as one of the regions with complex development dynamics, has shown variations in its Human Development Index (HDI) over the past decade. This study aims to analyze the influence of government expenditure in the education and health sectors, per capita income, and economic growth on the HDI in Central Java Province during the period 2013–2023, using data from 35 districts/municipalities in the province.

This research adopts a quantitative approach with descriptive analysis and panel data regression analysis. The analytical model employed is the Random Effect Model (REM), selected based on the results of the Hausman test. The independent variables analyzed in this study include government expenditure on education, government expenditure on health, per capita income, and economic growth, while the dependent variable is the Human Development Index.

The results indicate that simultaneously, the four independent variables significantly affect the HDI, suggesting that these variables play an important role in human development within the context of this case study. Partially, government expenditure in the education sector has a negative and significant effect on HDI, while government expenditure in the health sector and per capita income both have positive and significant effects. Conversely, economic growth also shows a significant negative effect on HDI. These findings have important implications for regional policy formulation, particularly in optimizing the allocation efficiency of public sector budgets. Local governments should reassess the effectiveness of education spending and strengthen the health sector as well as initiatives to increase community income as strategic instruments to sustainably improve the quality of human development.

Keywords: *Human development index, government expenditure, education, health, per capita income, economic growth.*

