

Analysis of Factors Affecting the Human Development Index Between Districts / Cities in North Sumatra Province

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ABSTRACT

This study aims to determine the effect of the APBD between districts / cities of North Sumatra Province on education levels and health levels. The type of research used is with a quantitative descriptive approach. The data used is secondary data with the period 2017-2021. Data analysis using the BLUE (Best Linear Unbiased Estimator) approach using the Eviews 12 analytical tool. The results showed that the APBD had a positive effect on the level of education and the level of health in 2017-2021.

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INTRODUCTION

Success in development can be measured in several indicators. The most popular indicator of success is the Human Development Index (HDI) which is better known as the Human Development Index. HDI is an indicator that is understood to be a picture of basic human capabilities. Success in the process of the Human Development Index (HDI) is largely determined by the full commitment of the government as a provider of facilities and infrastructure, as well as understanding that to achieve a modern economy the quality of life of human resources must be improved.

The coordinating ministry for people's welfare defines welfare as a condition in which people have their basic needs met. These basic needs include the adequacy and quality of food, clothing, shelter, health, education, employment, and other basic needs. The level of community welfare in a region can be measured by the level of education available in a region. The average years of schooling indicator provides information on the extent of the average level of education achieved by the population.

Education is a conscious and planned effort to create a learning atmosphere and learning process so that students actively develop their potential to have religious spiritual strength, self-control, personality, intelligence, noble character, and skills needed by themselves, society, nation and state (Law No.20 of 2003 concerning the national education system).

According to (Robert.H.Brook, 2017: 585) health is a resource that all humans have and is not a life goal that needs to be achieved. Health does not focus on physical fitness but includes a healthy soul where individuals can be tolerant and can accept differences. According to BPS (2012) Life Expectancy is an estimate of the average additional human age expected to continue living. AHH is calculated with an indirect estimation approach. The calculation of AHH refers to two existing data, namely the number of live births (ALH), and live children (AMH).

Regional financial management is summarised in a binding financial document between the central government and local governments and the DPRD called the Regional Budget (APBD). The APBD is a financial plan document that forms the basis for regional financial management and guidelines for local governments in providing services to the public within one fiscal year. The Regional Revenue and Expenditure Budget (APBD) is a local government activity plan that is set out in the form of numbers and maximum limits for the budget period (Halim, 2007).

The APBD is essentially a quantitative description of the goals and objectives of the local government as well as the main tasks and functions of the work unit which must be arranged in a structure that is oriented towards achieving a certain level of performance. This means that the APBD must be able to provide a clear picture of the amount of financing for various programmes and activities that can provide benefits that are truly felt by the community and services that are oriented towards the public interest (PP No. 58 of 2005).

Therefore, local governments implement performance-based budgets. The implementation of performance-based budgeting is a system of preparation that emphasises results and control of expenditure that links directly between outputs (outputs) and outcomes (outcomes) accompanied by an emphasis on the effectiveness and efficiency of budget allocations (Izudin et al, 2013). Performance-based budget management is inseparable from the implementation of regional autonomy where regions must optimise budgets that are carried out economically, efficiently and effectively (value for money) to improve public welfare (Marizka, 2009).

In addition, in the context of budget discipline, both revenue and expenditure, must also refer to the rules or guidelines that underlie it, whether it is a law, government regulation, ministerial decision, regional regulation or regional head decision. Therefore, in the process of preparing the APBD, local governments must follow the established administrative procedures. In addition, in the context of expenditure, local governments must allocate regional expenditure fairly and equitably so that it can be relatively enjoyed by all groups of society without discrimination, especially in the provision of public services.

LITERATURE REVIEW

1. Regional Finance

According to Mamesah in Halim (2007: 23), regional finances are all government rights and obligations that can be valued in money, as well as everything in the form of money and goods that can be used as higher regional assets and other parties in accordance with applicable laws / regulations.

According to PP Number 58 of 2005 concerning regional financial management and Permendagri Number 13 of 2006 concerning regional financial management guidelines, regional finances are all regional rights and obligations in the context of implementing regional government that can be valued in money, including all forms of wealth related to these regional rights and obligations.

2. Budget

According to Yuwono, ddk. (2005: 27) a budget is a detailed plan expressed formally in quantitative measures, usually in units of money (financial planning) to show the acquisition and use of an organisation's resources. According to Suparmoko and Yusuf (2017: 43) a budget is a detailed list or statement of receipts and expenditures within a certain period of time, which is usually one fiscal year. Budgets are usually prepared based on the calendar year which starts from 1 January and closes on 31 December in the year concerned.

A budget is a periodic financial plan prepared based on agreed programmes and activities. A budget is a written plan of an organisation's activities expressed in terms of quantities and generally expressed in units of money for a specified period of time. The budget is also a statement of the estimated performance to be achieved during a certain period expressed in units of money. The budget period is usually one year (Sinaga, 2017: 12-13).

3. Budgeting

Budgeting is the process of preparing a budget that starts from the creation of a committee, collecting data and classifying data, submitting physical and financial work plans for each section, compiling as a whole, revising, and submitting to top leadership for approval and implementation (Darsono and Purwanti, 2008: 1).

According to Yuwono, et al. (2005: 29) budgeting is the process of translating activity plans into financial plans (budgets). In a broad sense, budgeting includes budget preparation, implementation, control, and accountability. Budgeting needs standardisation in various forms, documents, instructions and procedures because it involves the day-to-day operations of the organisation.

4. Regional Revenue and Expenditure Budget

Warsito Utomo (2005) states that the APBD is the main policy instrument for local governments which has a central position in efforts to develop the capabilities and effectiveness of the implementation of public services by local governments. In achieving this, the regional budget must be oriented towards the interests of the community (client centred) which requires transparency of budget information to the public and is contained in regional financial reports. The APBD is a government work plan that describes the sources of regional revenue and expenditure in financing regional activities and projects for a year where the APBD is expected to be able to reflect all the needs of the community by taking into account the various potentials owned by the region.

APBD is a guideline for the economy that functions in stabilising the regional economy, increasing economic growth and income distribution. The APBD consists of revenue and expenditure, where revenue is grouped into Regional Original Revenue (PAD), balancing funds, and other legal PAD. APBD can have an influence on economic growth as it helps to reduce poverty levels in order to prosper local communities and be able to create monetary stability.

5. Human Development Index

Human development, according to the Human Development Report published by the UNDP (United Nations Development Programme) in BPS (2015), is a process to increase the choices that humans have. Among these choices, the most important ones are to live a long and healthy life, to be knowledgeable, and to have access to the resources needed to live properly. Human development can improve overall human well-being.

To find out how human development progresses, one way that can be used is to use the Human Development Index (HDI). The human development index is a composite indicator that measures the quality of human life. The human development index used by BPS includes three dimensions, namely the health dimension, the education dimension, and the decent standard of living dimension. To measure the knowledge dimension, a combination of literacy rate and average years of schooling indicators are used. Meanwhile, to measure the dimension of decent living, the Purchasing Power Parity indicator is used (BPS, 2017).

6. Education Level

The level of education according to Lestari in Wirawan (2016: 3) is a person's activity in developing abilities, attitudes and forms of behaviour, both for future life where through certain organisations or not organised.

Feni in Kosilah & Septian (2020, 1139) 'Education is guidance or help given by adults to the development of children to reach maturity with the aim that children can carry out their own life tasks not with the help of others.' Furthermore, Hariandja in Nuruni (2014: 14) adds that the level of education of an employee can increase the competitiveness of the company and improve company performance.

7. Health Level

According to (Robert.H.Brook, 2017:585), health is a resource that all humans have and is not a life goal that needs to be achieved. Health does not focus on physical fitness but includes a healthy soul where individuals can be tolerant and can accept differences.

Health is one of the variables of people's welfare that can describe the level of public health in relation to the quality of life. The state of population health is one of the capitals for the success of national development because with a healthy population, development is expected to run smoothly.

RESEARCH METHODOLOGY

The approach used in this research is quantitative data. According to Sugiyono (2017), quantitative methods, namely research methods based on the philosophy of positivism used to research on certain populations or samples, data collection using research instruments, and quantitative / statistical data analysis with the aim of testing predetermined hypotheses.

This research will analyse the effect of APBD on the human development index (education level and health level). The research uses secondary data taken from the Central Statistics Agency (BPS) in the form of district / city data in North Sumatra province.

RESULT AND DISCUSSION

In this study using simple regression analysis. In the results section can be seen as follows:

Table 1. Results of Simple Regression Analysis of Education Level (Y1)

Variabel	Coefficient	Nilai Signifikansi
(Constant)	8.348879	0.0000
APBD (X)	4.56E-10	0.0005

Source: Research result

The above equation can be explained as follows:

1. The constant value is 8.348879, which means that if the independent variable, namely the APBD, has a value of zero (0), then the value of the Education Level (Y1) is 8.348879 per cent.
2. The coefficient value of APBD (X) is 4.56E-10, which means that if the APBD (X) variable increases by 1 rupiah, the education level (Y1) will increase by 4.56E-10 per cent. The coefficient is positive, meaning that the APBD and the education level have a unidirectional relationship, so that if the APBD increases, the education level will also increase, and vice versa.

Table 2. Results of Simple Regression Analysis of Health Level (Y2)

Variabel	Coefficient	Nilai Signifikansi
(Constant)	67.69268	0.0000
APBD (X)	8.30E-10	0.0002

Source: Research result

The above equation can be explained as follows:

1. The constant value is 67.69268, which means that if the independent variable, namely the APBD, has a value of zero (0), then the value of the Health Level (Y2) is 67.69268 percent.
2. The coefficient value of APBD (X) is 8.30E-10, which means that if the APBD variable (X) increases by 1 rupiah, the Health Level (Y2) will increase by 8.30E-10 percent. The coefficient is positive, meaning that the APBD and the Health Level have a unidirectional relationship, so that if the APBD increases, the Health Level will also increase, and vice versa.

CONCLUSION

In accordance with the formulation of the problem and research objectives and the results of the analysis that has been carried out, the following conclusions are obtained:

1. The results of this study indicate that the APBD has a positive and significant influence on the level of education in North Sumatra Province.
2. The results of this study indicate that the APBD has a positive and significant influence on the level of health in North Sumatra Province.

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