



**Bisnis Indonesia: Journal of Economics,
Management and Entrepreneurship**

Journal Homepage:
[https://journal.haqipub.com/index.php/
bi](https://journal.haqipub.com/index.php/bi)



***INFLUENCE OF ECONOMIC GROWTH, HOUSEHOLD CONSUMPTION, GOVERNMENT
EXPENDITURE, UNEMPLOYMENT AND POVERTY ON DEVELOPMENT INDEX
DISTRICT/CITY PEOPLE IN THE PROVINCE WEST SUMATERA***

**PENGARUH PERTUMBUHAN EKONOMI, KONSUMSI RUMAH TANGGA,
PENGELUARAN PEMERINTAH, PENGANGGURAN DAN KEMISKINAN
TERHADAP INDEKSS PEMBANGUNAN MANUSIA KABUPATEN/KOTA DI
SUMATERA BARAT**

Newes Saleleusik¹, Jolianis², Yosi Eka Putri³

Economic Education Study Program, PGRI University West Sumatera

email: newessaleleusik@mail.com

Abstract

This research aims to determine 1) the influence of economic growth on the district/city human development index in West Sumatra Province, 2) the influence of household consumption on the district/city human development index in West Sumatra Province, 3) the influence of government spending on the district human development index /cities in West Sumatra Province, 4) The influence of unemployment on the human development index of districts/cities in West Sumatra Province, 5) The influence of poverty on the human development index of districts/cities in West Sumatra Province, 6) The influence of economic growth, household consumption, expenditure government, unemployment, poverty together on the human development index of districts/cities in West Sumatra Province. This type of research is associative. This research was conducted using research objects in districts/cities in West Sumatra Province which consists of 12 districts and 7 cities. The research data used was during the period 2016 to 2022 with 133 samples. The data used in this research is secondary data. The technique used is a document technique with panel data regression analysis using the eviews program. The research results show that: 1) there is no positive and significant influence between economic growth and the human development index. 2) there is no positive and significant influence between household consumption on the human development index. 3) there is a positive and insignificant influence between government spending on the human development index. 4) there is no positive and significant influence between unemployment and the human development index. 5) there is no positive and significant influence between poverty and the human development index.

Keywords: *Economic Growth, Household Consumption, Government Expenditures, Unemployment, Poverty.*

Abstrak

Penelitian ini bertujuan untuk mengetahui 1) Pengaruh pertumbuhan ekonomi terhadap indeks pembangunan manusia Kabupaten/kota di Provinsi Sumatera Barat, 2) Pengaruh konsumsi rumah tangga terhadap indeks pembangunan manusia Kabupaten/kota di Provinsi Sumatera Barat, 3)

Pengaruh pengeluaran pemerintah terhadap indeks pembangunan manusia Kabupaten/kota di Provinsi Sumatera Barat, 4) Pengaruh pengangguran terhadap indeks pembangunan manusia Kabupaten/kota di Provinsi Sumatera Barat, 5) Pengaruh kemiskinan terhadap indeks pembangunan manusia Kabupaten/kota di Provinsi Sumatera Barat, 6) Pengaruh pertumbuhan ekonomi, konsumsi rumah tangga, pengeluaran pemerintah, pengangguran, kemiskinan secara bersama-sama terhadap indeks pembangunan manusia Kabupaten/kota di Provinsi Sumatera Barat. Jenis penelitian ini adalah asosiatif. Penelitian ini dilakukan dengan menggunakan objek penelitian pada Kabupaten/Kota di Provinsi Sumatera Barat yang terdiri dari 12 kabupaten dan 7 kota. Data penelitian yang digunakan adalah selama periode 2016 hingga 2022 dengan 133 sampel. Data yang digunakan dalam penelitian ini adalah data sekunder. Teknik yang digunakan adalah teknik dokumen dengan analisis regresi data panel dengan menggunakan program eviews. Hasil penelitian menunjukkan bahwa: 1) tidak terdapat pengaruh positif dan signifikan antara pertumbuhan ekonomi terhadap indeks pembangunan manusia. 2) tidak terdapat pengaruh positif dan signifikan antara konsumsi rumah tangga terhadap indeks pembangunan manusia. 3) terdapat pengaruh positif dan tidak signifikan antara pengeluaran pemerintah terhadap indeks pembangunan manusia. 4) tidak terdapat pengaruh positif dan signifikan antara pengangguran terhadap indeks pembangunan manusia. 5) tidak terdapat pengaruh positif dan signifikan antara kemiskinan terhadap indeks pembangunan manusia.

Kata kunci: *Pertumbuhan ekonomi, konsumsi rumah tangga, pengeluaran pemerintah, pengangguran, kemiskinan, IPM*

I. INTRODUCTION

Indonesia is a developing country, where the income distribution of the population is uneven due to the socio-economic inequality experienced by the population. As a developing country, Indonesia needs to achieve something in all aspects, one of which is the welfare of society itself. With progress in social welfare, a just and prosperous society can be created.

Development Humans are one indicator of achieving economic development and achieving development that is able to encourage economic growth. To measure the quality of human capital, the United Nations Development Program (UNDP) introduced the concept of human capital quality which was named the Human Development Index. (IPM). The development system in Indonesia based on a regional approach is implemented through a regionalization or regionalization system, namely dividing regions into development/development areas. This aims to further ensure the achievement of harmonious and balanced development both between sectors within a region and between regions.

Performance analysis or welfare focus is carried out on human development indicators, one of which is the Human Development Index (HDI). Increasing community welfare can be seen from improving the quality of life of the community.

Economic development essentially aims to improve the welfare of society, by making changes to political, economic and socio-cultural aspects. The process can be carried out by developing the economy and overcoming various development problems. For this reason, development success can be achieved by making plans that can overcome problems and improve economic problems, so that they can improve community welfare (Indrayanti, 2020) .

Economic growth is an indicator to see the results of development that has been carried out and is also useful for determining the direction of development in the future. Positive economic growth indicates an increase in the economy, whereas negative economic growth indicates a decline in the economy. High economic growth and its sustainable process are the main conditions for continued economic development. (Tambunan, 2001) Economic growth shows the extent to which economic activity will generate additional community income in a certain period. In other words, the economy is said to experience growth if people's real income in a particular year is greater than people's real income in the previous year.

Household consumption expenditure is an indicator of the level of social welfare in a region. According to Keynes' theory (Mankiw, 2006: 444) that the higher the expenditure on consumption of goods and services, the higher the income and welfare. (Burn, 2020) .

Government spending plays a role in meeting public demand with the provision of facilities and infrastructure that cannot be met by the private sector.

From a macroeconomic point of view, high unemployment is a problem. One illustration of the impact of a high unemployment rate is that many resources are wasted and people's income is reduced. Open unemployment is unemployment that is created as a result of the increase in employment opportunities being lower than labor force growth (Hendri, 2019) .

Poverty is an important indicator to see the success of a country's development. Every country will try hard to reduce poverty rates. In many countries in the world, the main condition for reducing poverty is economic growth. Poverty is a complex problem in a country because poverty is not only related to the problem of low levels of income and consumption, but is also related to low levels of education, health and the powerlessness of poor people to participate in the development process (Kaluge, 2017), several factors that cause poverty in Indonesia, namely low wage levels, high unemployment rates, and low HDI (Rio Dwi Heriansyah, 2018) .

II. RESEARCH METHODS

This type of research is descriptive and associative research, namely research that tests whether there is a relationship or influence between one other variable. The data source used in this research is secondary data. Data taken at BPS (West Sumatera in 2016-2022 figures). The object of this research is the districts/cities in West Sumatra province in 2016-2022, the sample in this

research is 19 districts/cities in West Sumatra Province, using the panel data method using the eviews program.

This research uses the dependent variable human development index which explains how the population can access development results in obtaining income, health, and so on which is formed by three basic dimensions, namely: long and healthy life, knowledge and a decent standard of living.

The independent variables in this research consist of economic growth, household consumption, government spending, unemployment and poverty.

Economic growth is an increase in aggregate national income or increase in output in a certain period, for example one year. Or in other words, economic growth represents an increase in the physical capacity of goods and services within a certain period of time. Economic growth is measured in percent per year taken from West Sumatra in the 2016-2020 figures.

Economic growth formula:

$$GRDP_t = \frac{GDP_t - GDP_{t-1}}{GDP_{t-1}} \times 100\%$$

Where: $GRDP_t$ = Economic Growth Rate

GDP_{t-1} = GDP in the previous year

Household consumption is expenditure on goods and services by resident households for final consumption purposes. A household is defined as an individual or group of individuals who live together in a residential building, pool some or all of their income and wealth, and consume goods and services collectively, especially food and housing.

Government spending is expenditure on goods and services made by the government for final consumption. As a non-market producer, PK-P is approached by costs incurred by the government, including the value of goods and services purchased from market producers to be distributed to individual households at prices that are not economically significant (social transfer in kind purchased market production) and output Bank Indonesia, reduced by receipts from sales of goods and services.

Unemployment rate (unemployment rate) is the percentage of the workforce currently unemployed. Economists define the labor force as the portion of the working age population who are currently employed plus those who are unemployed but actively looking for work. TPT can be measured in percent per year taken from West Sumatra in the 2016-2020 figures.

The TPT calculation is:

$$\text{Unemployment rate} = \frac{\text{Unemployment number}}{\text{Number of Labor Force}} \times 100\%$$

Poverty is seen as an economic inability to meet basic food and non-food needs as measured in terms of expenditure. So the Poor Population is the population whose average monthly per capita expenditure is below the poverty line.

Calculation of the percentage of poor people:

$$P0 = \frac{1}{n} \sum_{i=1}^q \left[\frac{z - yi}{z} \right]_0$$

Where:

$\alpha = 0$

$z =$ poverty line.

$yi =$ Average monthly per capita expenditure of people who are below the poverty line ($i=1, 2, 3, \dots, q$), $yi < z$

$q =$ Number of people who are below the poverty line.

$n =$ population

III. RESULTS AND DISCUSSION

In this research, the data processing process uses the help of eviews. The data analysis method in panel data regression testing contains three models that will be used in this research, namely common effect, fixed effect, and random effect. The requirements for the panel regression model in this test are the Chow Test (likelihood test ratio) showing that the calculated F probability value is $386.03 > F_{Table} 2.47$ So H_0 is rejected and H_a is accepted, so the most appropriate model to use is the Fixed Effect Model. However, the decision to use this model is not yet a final result because it is still ongoing There is another test between the random effect and fixed effect models using the Hausmant test. The Hausman test shows that the cross-section probability value is obtained random is $0.0000 < 0.05$, so it can be seen that the most appropriate model to use is fixed effect.

Table 1. Statistical T Test Output Results

Research variable	t-statistics	Pro b	Alpha	Conclusion
Economic growth	0.873	0.384	0.05	Positive and significant
Household consumption	0.809	0.420	0.05	Positive and significant
Government	2.190	0.031	0.05	positive and not significant
Expenditures	1,696	0.093	0.05	Positive and significant
Unemployment	3.693	0.000	0.05	Positive and significant
Poverty		489		

Source: secondary data processed in 2024

Table 2. Statistical F Test Output Results

Research Variables	F-statistic	Prob	Alpha	Conclusion
Economic growth				
Household consumption				
Government	1456.88	0.000000	0.05	significant
Expenditures				

Unemployment

Poverty

Source: secondary data processed in 2024

From the table above, it can be seen that the F -statistics results obtained were $1456.88 >$ and $F_{tabel} 2.285607$, so the decision was H_a accepted H_0 and rejected so that the variables Economic Growth, Household Consumption, Government Expenditures, Unemployment and Poverty together have an influence on the Regency/City Human Development Index in West Sumatra Province

The Influence of Household Consumption on the Development Index

Based on the research, the results of testing the second hypothesis using household consumption variables showed that the regression coefficient value was 0.005010 and the t statistic was $0.809525 < t_{table} 1.978819$ with a probability of 0.4205 . The results obtained showed that the resulting probability value was $0.4205 > 0.05$, then the decision is H_0 accepted H_a rejected. This means that household consumption does not have a positive and significant effect on the human development index in West Sumatra Province in 2016-2022.

Research conducted by (Tamara & Yeniwati, 2020) shows that household consumption has a positive and significant effect on the human development index, which is also in line with research conducted by Helmi (2019) which proves that regarding the human development index, household consumption has a positive and significant effect on the development index. man.

The Influence of Government Expenditures on the Human Development Index

Based on the research, the results of hypothesis testing for the three government expenditure variables obtained a regression coefficient value of 0.003965 and a statistical t value of $2.190354 > t_{table} 1.978819$ with probability 0.0312 . In the testing stage, an error rate of 0.05 was used. The results obtained showed that the probability value was $0.0312 < 0.05$ then the decision is H_0 rejected H_a accepted. So it is concluded that there is a positive and insignificant influence of government spending on the district/city economic development index in West Sumatra Province in 2016-2022.

Research conducted (Tamara & Yeniwati, 2020) shows that government spending in the health sector has a positive and significant influence on the human development index

The Effect of Unemployment on the Human Development Index

Based on the research, the results of the hypothesis testing of the four unemployment variables obtained a regression coefficient value of 0.003194 and a statistical t value of $1.696801 < t_{table} 1.978819$ with probability 0.0934 . In the testing stage, an error rate of 0.05 was used. The results obtained showed that the probability value was $0.0934 > 0.05$ then the decision is H_0 accepted H_a rejected. So it is concluded that there is no positive and significant influence of unemployment on the district/city economic development index in West Sumatra Province in 2016-2022.

This research is not in line with that conducted by (Susilowati & Adianita, 2023) that theoretically unemployment has a negative and significant impact on the human development index.

The Effect of Poverty on the Human Development Index

Based on the research, the results of the hypothesis testing of the five poverty variables obtained a regression coefficient value of 0.006006 and a statistical t value of $0.693580 < t_{table} 1.978819$ with probability 0.4898 . In the testing stage, an error rate of 0.05 was used. The results obtained showed that the probability value was $0.4898 > 0.05$ then the decision is H_0 accepted H_a rejected. So it is concluded that there is no positive and significant influence of poverty on the district/city economic development index in West Sumatra Province in 2016-2022.

According to research conducted (Nugraeni, 2021) which explains that individually there is a negative and significant influence between poverty variables on the human development index. Syofya (2018) in his research found a negative and significant influence between poverty variables on the human development index.

The Influence of Economic Growth, Household Consumption, Government Expenditures, Unemployment and Poverty on the Human Development Index,

From the test results it is stated that economic growth has a regression coefficient value of 0.003460 and a t statistic of $0.873823 < t_{table} 1.978819$ with a probability of 0.3847. In the testing stage an error rate of 0.05 was used. The results obtained show that the probability value is the result is $0.3847 > 0.05$, then the decision is H_0 accepted H_a rejected. From the test results it is stated that household consumption has a regression coefficient value of 0.005010 and a t statistic of $0.809525 < t_{table} 1.978819$ with a probability of 0.4205, in the testing stage an error rate of 0.05 is used. The results obtained show that the probability value The resulting result is $0.4205 > 0.05$, then the decision is H_0 accepted H_a rejected. From the test results it is stated that government spending has a regression coefficient value of 0.003965 and a statistical t value of $2.190354 > t_{table} 1.978819$ with a probability of 0.0312, in the testing stage an error rate of 0.05 was used. The results obtained showed that the probability value was $0.0312 < 0.05$, so the decision was H_0 rejected H_a accepted. From the test results it is stated that unemployment has a regression coefficient value 0.003194 and the statistical t value is $1.696801 < t_{table} 1.978819$ with probability 0.0934. In the testing stage, an error rate of 0.05 was used. The results obtained showed that the probability value was $0.0934. > 0.05$ then the decision is H_0 accepted H_a rejected. From the test results it is stated that poverty has a regression coefficient value of 0.006006 and a statistical t value of $0.693580 > t_{table} 1.978819$ with probability 0.4898. In the testing stage, an error rate of 0.05 was used. The results obtained showed that the probability value was $0.4898. > 0.05$ then the decision is H_0 accepted H_a rejected. Economic growth, household consumption, government spending, unemployment and poverty together simultaneously have a significant effect on the human development index.

IV. CONCLUSION

1. Economic growth does not have a positive and significant effect on the district/city human development index in West Sumatra Province for the 2016-2022 period. This can be seen from the coefficient value of 0.003460 and the statistical t value of $0.873823 < t_{table}$ of 1.978819 and a probability value of $0.3847 > \alpha 0.05$. This means that economic growth has no effect on the district/city human development index in West Sumatra province in 2016-2022.
2. Household consumption does not have a positive and significant effect on the district/city human development index in West Sumatra Province for the 2016-2022 period. This can be seen from the coefficient value of 0.005010 and the t statistic is $0.809525 < t_{table} 1.978819$ with a probability of 0.4205, the results obtained show that the resulting probability value is $0.4205 > 0.05$. This means that household consumption has no effect on the district/city human development index in West Sumatra province in 2016-2022.
3. Government spending has a positive and insignificant effect on the district/city human development index in West Sumatra Province for the 2015-2019 period. This can be seen from the government expenditure coefficient value which is 0.003965 and the statistical t value is $2.190354 > t_{table} 1.978819$ with probability 0.0312. The results obtained show that the probability value is $0.0312 < 0.05$. This means that government spending influences the district/city human development index in West Sumatra province for the 2016-2022 period.
4. Unemployment does not have a positive and significant effect on the district/city human development index in West Sumatra Province for the 2016-2022 period. This can be seen from the unemployment coefficient value which is 0.003194 and the statistical t value is $1.696801 < t_{table}$

1.978819 with probability 0.0934. The results obtained show that the probability value is $0.0934 > 0.05$. This means that unemployment has no effect on the district/city human development index in West Sumatra province in 2016-2022.

- 5. Poverty does not have a positive and significant effect on the district/city human development index in West Sumatra Province for the 2015-2019 period. This can be seen from the poverty coefficient value of 0.006006 and the statistical t value of $0.693580 < t$ table 1.978819 with probability 0.4898. The results obtained show that the probability value is $0.4898 > 0.05$. This means that poverty has no effect on the district/city human development index in West Sumatra province in 2016-2022.*
- 6. Economic growth, household consumption, government spending, unemployment and poverty simultaneously have a significant influence on the district/municipal human development index in West Sumatra province for the 2016-2022 period.*

REFERENCES

- Agustini, Y. (2017). *The Influence of PMDN Investment, PMA, and Labor Absorption on Economic Growth and the Number of Poor District/City Population in West Kalimantan Province*. *Journal of Business Economics and Entrepreneurship*, 6 (2), 97–119.
- Amanaturrohim, H., & Widodo, J. (2016). *The Influence of Household Income and Consumption on the Welfare of Families of Coffee Farmers in Candiroto District, Temanggung Regency*. *Economic Educational Analysis Journal*, 5 (2), 468–479. <http://jmas.unbari.ac.id/index.php/jmas/article/view/164>
- Anggraini, Z. (2021). *Analysis of Open Unemployment in Central Java Province 2015-2019*. *Journal of Economic Sciences (JIE)*, 5 (4), 715–727.
- Ansofino. 2016. *Textbook of Econometrics. Print 1*. Yogyakarta: Deepublish.
- Apriansyah Permana, D. (2017). *The Influence of Per Capita Expenditure on the Human Development Index in Banten Province for the 2012-2016 Period*. *JOM Fekon*, 04 (1), 1–21.
- Ari Nurul Fatimah, Diah Agustina Prihastiwi, VI (2020). *Analysis of the Influence of Regional Taxes, Regional Levies, and GDP on Community Welfare*. *Accounting Global Journal*, 4 (2), 124–138. <https://doi.org/10.24176/agj.v4i2.5014>
- Asj'ari, F. (2015). *The Effect of Economic Growth on the Welfare of Non-Civil Servant Families in Surabaya*. *Economic Magazine*, XX (1), 148–160.
- Awandari, LPP (2016). *The Influence of Infrastructure, Investment and Economic Growth on Community Welfare through Employment Opportunities*. *Unud EP E-Journal*, 5 (12), 1435–1462.
- Ayu Noviatamara, D. (2019). *Analysis of the Effect of Economic Growth and Open Unemployment Rates in the Special Region of Yogyakarta*. *Journal of REP (Development Economic Research)*, 4 (1), 53–60.
- Baeti, N. (2013). *The Influence of Unemployment, Economic Growth and Government Expenditures on District/City Human Development in Central Java Province 2007-2011*. *Economics Development Analysis Journal*, 2 (3), 85–98.