The Influence of Education Level, Human Development Index, Labor and Life Expectancy on Economic Growth in Blora Regency 2010-2022

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ABSTRACT

This research aims to determine the influence of education level, human development index, workforce, and life expectancy on economic growth in Blora Regency in 2010-2022. This research explains theories about education level, human development index, labor force, and life expectancy accompanied by the life expectancy, alongside the correlation between predictor variables and outcome variables and is equipped with previous research, frameworks and hypotheses. This study employs a quantitative method known as causal-comparative research. The data source comes from BPS Blora Regency. The population in this study is all macroeconomic indicator data in Blora Regency. This research sample uses data on education level, human development index, workforce, life expectancy and economic growth in Blora Regency from 2010 to 2022. The data collection method uses library research and documentation. In this study, classical assumption tests including normality, multicollinearity, heteroscedasticity, and autocorrelation assessments are conducted. The analysis method employed is multiple regression analysis utilizing Eviews 9 software. The research results show that education level has no effect on economic growth. The Human Development Index has no effect on economic growth. Labor influences economic growth. Life expectancy has no effect on economic growth in Blora Regency in 2010-2022.

Keywords: Education Level, Human Development Index, Labor, Life Expectancy and Economic Growth.

JEL Classification: D3, G31, H32

INTRODUCTION

The basic principle of every country in general is to achieve success in the development and welfare of its people. In the current era of globalization, economic growth has become one of the main measures for assessing national progress and the development of a region. Economic growth is defined as an increase in economic activity which results in an increase in the production of goods and services in society. High economic growth can open up job opportunities, increase

people's income, and improve welfare and living standards(Fahrika & Zulkifli, 2020). According to the Indonesian Central Statistics Agency during the 2010–2022 period, Indonesia's Human Development Index (HDI) experienced an average increase of 0.77 percent every year. In 2022, it will be noted that increasing HDI involves all dimensions, including long and healthy lives, knowledge, and decent living standards. HDI growth in that year even accelerated compared to the previous year, with significant increases in all dimensions that make up HDI, especially in long and healthy lives, as well as decent living standards. In the dimension of longevity and healthy living, the life expectancyfor infants born in 2022 is projected to reach 71.85 years, marking a rise of 0.28 years from the previous year. The 2020 Blora Regency HDI is the lowest value compared to other regencies in the former Pati Residency (Grobogan, Rembang, Pati, Kudus and Jepara). This shows that human development in the fields of education, health and economy is still lagging behind other districts/cities.

Grafik 1.1 Comparison of HDI for Ex-Karisedenan Pati 2020
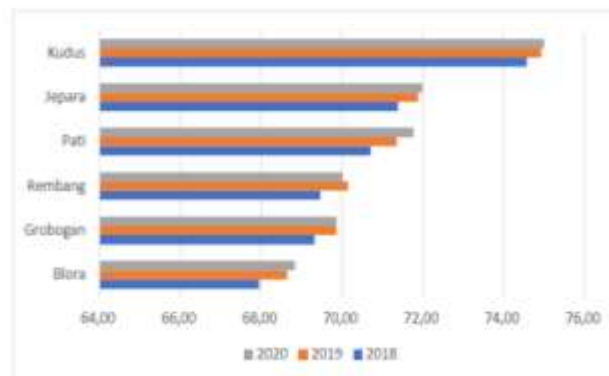

Sumber : BPS Jawa Tengah Tahun 2020

Figures for the Open Unemployment Rate (TPI) and Labor Force Participation Rate (TPAK) in Blora Regency over the five year period (2016-2020) tend to fluctuate. In 2020, there was an increase in the open unemployment rate from 3.82% in 2019 to 4.89% in 2020. In 2020, there were 6,932 individuals rendered unemployed as a result of Covid-19, with an additional 2,286 individuals experiencing temporary unemployment due to the pandemic. Moreover, 43,587 employed residents faced reduced working hours due to Covid-19. Furthermore, of the 24,058 unemployed residents in 2020, more than a quarter were unemployed due to pandemic. The impact of pandemic is not only on increasing TPT but also has an impact on those who are still working today. Compared to surrounding districts, the Open Unemployment Rate of Blora Regency is higher than that of Jepara, Grobogan, Rembang, Pati and Kudus Regencies, as can be seen in the following figure.

Grafik 1.2 Open Unemployment Rate for Former Pati Careers in 2020

Based on graph 1.2, it provides an overview of the open unemployment rate for Ex-Karisedenan Pati in 2020, which states that the highest unemployment was in Blora Regency at 3.89 and the lowest unemployment was in Jepara Regency at 2.97.

Grafik 1.3 Economic Growth Rate in the Former Pati Residence

Sumber : BPS Kabupaten Blora

On the other hand, the poverty rate continues to decline during the 2010-2019 period, this is certainly a good achievement where poverty alleviation efforts are moving in the right direction. However, it must increase again in 2020 due to the increasing number of poor people following the arrival of the Covid-19.

Based on some of the data above, it can provide an illustration that the HDI of Blora Regency in 2020 experienced a decline compared to other districts in the former Pati Residency, both in the fields of education, health and economics. Even though there has been an increase in the achievement of indicators that form the HDI such as life expectancy, average years of schooling, expected years of schooling, and adjusted per capita expenditure, the achievement of the HDI composite indicator is still below the annual target of the 2016-2021 RPJMD. Hence, the objective of this study is to bridge this informational void and offer a more comprehensive insight into the economic dynamics within Blora Regency. The main objective of research is to understand how the level of education, Human Development Index (HDI), labor force, and life expectancy influence economic growth in Blora Regency during the 2010-2022 period.

METHOD

The research methodology employed in this study is comparative causal research. Comparative causal research aims to find the relationship between the causes and effects of independent and dependent variable. The nature of this research is ex post facto, meaning that the data collected is based on previous data (Rahmi Pertiwi, Risnita, & Jailani, 2023).

Research that involves numerical data or statements that are reviewed and then statistically analyzed is referred to as quantitative research. The research location chosen by the researcher as the research location is Blora Regency. The population in this research is data on education level reports, human development index, workforce, life expectancy and economic growth which have been published by the Central Statistics Agency (BPS) of Blora Regency . This research takes 13 annual data on each sample variable used in this research, namely Education Level, Human Development Index, Labor, Life Expectancy and Economic Growth in Blora Regency 2010-2022 (Amin, Garancang, & Abunawas, 2023).

The analysis methodology involves utilizing traditional assumption tests such as normality, multicollinearity, heteroscedasticity, and autocorrelation examinations. Additionally, hypothesis testing encompasses multiple linear regression analysis, simultaneous testing, and partial testing (Mardiatmoko, 2020).

RESULT AND DISCUSSION

From the results obtained using eviews 9 it has positive and negative influences. Drawing from the outcomes of the conducted tests, it can be seen that the education level variable has a calculated t value of -0.986870 which is smaller than the t table -2.36462 and a significance value of 0.3526 which is greater than 0.05. This shows that the level of education does not have effect on economic growth in Blora Regency in 2010-2022. The level of education is not always the main factor influencing Blora's economic growth, such as technological factors, investment, number of workers and so on (Andni & Said, 2022).

The result it's evident that the calculated t value for the Human Development Index is 1.235624, which is lower than the critical t value of 2.36462 and a significance value of 0.2516 which is greater than 0.05. These findings suggest that the Human Development Index does not exert a notable impact on the economic growth of Blora Regency from 2010 to 2022. HDI is not the main factor that can influence the economic growth of Blora Regency. There are other factors whose role is more dominant in influencing the economic growth of Blora Regency, such as investment, number of workers, etc (Masyarakat et al., 2023).

The test outcomes indicate that the workforce exhibits a calculated t value of 5.659348, surpassing the critical t value of 2.36462, and a significance value of 0.0041, lower than 0.05. This shows that labor has a significant influence on economic growth in Blora Regency in 2010-2022. Having a good quality workforce will increase the economic growth of Blora Regency. Therefore, steps to improve the quality of the workforce through skills training, education and increasing

productivity will be a sustainable investment that can lead to sustainable economic growth in Blora Regency (Andni & Hidayah, 2023).

The test results reveal that life expectancy yields a calculated t value of -1.563338, which falls below the critical t value of -2.36462 and a significance value of 0.1566 which is greater than 0.05. This shows that life expectancy does not effect on economic growth in Blora Regency in 2010-2022. Life expectancy is not the main factor in driving economic growth, the government can be more strategic in designing development policies that are more effective and in accordance with the characteristics and needs of the people of Blora Regency (Andni, Faza, & Afandi, 2023).

CONCLUSION

For the Blora Regency Government, it can provide vocational training and education to improve the skills and productivity of local workers so that they are more in line with market needs, invest in infrastructure development to increase regional accessibility and competitiveness in Blora Regency, increase access and quality of education by building more schools, provide adequate facilities, and improve the quality of education and training for teachers and teaching staff, build and improve health infrastructure, including hospitals, health centers, and provide affordable and quality health services for the community.

For future researchers, the outcomes of this study are anticipated to can become reference material for future researchers. It is hoped that we can add different and varied research variables such as political stability, infrastructure and international trade and can add research time periods so that we can provide better results and can see the many developments that have occurred in Blora Regency.

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