

CHAPTER V

CONCLUSION

5.1 Conclusion

This study discusses the effect of poverty, health budget, education budget and local revenue on human development in five provinces in Eastern Indonesia 2011-2020. Based on the results of the analysis and discussion that have been described previously, the authors obtain conclusions that can be explained as follows:

1. The poverty rate has a negative and significant impact on human development in the provinces of East Nusa Tenggara, Gorontalo, Maluku, West Papua, and Papua. This means that an increase in the poverty rate will reduce the HDI in the five provinces. The more the number of poor people in the region, the more people who have a low level of welfare and are unable to access health and education so that it can reduce the quality of human resources.
2. The education budget has a positive and significant impact on human development in the provinces of East Nusa Tenggara, Gorontalo, Maluku, West Papua, and Papua. The results of this study indicate that the greater the allocation of regional budgets for the education sector can contribute to increasing human resources.
3. The health budget has a negative and no significant impact on human development in the provinces of East Nusa Tenggara, Gorontalo, Maluku, West Papua, and Papua. Increasing regional budget allocations for the health sector cannot contribute to increasing HDI in the five provinces. This condition can be

caused by inefficient and not well-targeted budget allocations so that the large amount of the health budget does not contribute significantly to human development efforts. Another thing there is rarely a reaction caused by an instantaneous reaction. The government's budget in the health sector cannot directly affect HDI in the same year but requires time lag.

4. Local revenue has a positive and significant impact on human development in the provinces of East Nusa Tenggara, Gorontalo, Maluku, West Papua, and Papua. The role of regional original income is quite large in funding capital expenditures which will later be used by local governments in funding development in regions that will support community welfare. The large allocation of local revenue will have a major impact on increasing human quality resources.

5.2 Suggestion

Based on the conclusions described above, the authors provide some suggestions as follows:

1. The high poverty rate in the provinces of East Nusa Tenggara, Gorontalo, Maluku, West Papua, and Papua is still a problem that must be resolved both for the central and local governments. It is necessary to strengthen poverty alleviation programs from the government, especially in terms of increasing access to health and education for the community so that in addition to improving people's welfare, it is hoped that these efforts can improve the quality of human development in the five provinces.

2. Local governments are expected to maximize local own revenue for capital expenditures, build better infrastructure such as hospitals and schools to accelerate human quality resources.
3. Local governments are expected to allocate budgets for the health and education sectors in accordance with the ratios set by law and used appropriately so that they can support the efforts of the central government in producing quality and competitive Indonesian human resources.
4. For further researchers, There is a time lag when the government issues the state budget or development for the two sectors, so research that uses a fairly long time series is needed.
5. Adding or using other independent variables to determine factors other than the determinant variables in this study that can affect human development efforts. And analyze what factors can affect the existence of inefficiencies in the allocation of health and education budgets at the provincial level.

