

CHAPTER I

INTRODUCTION

1.1. Background

Development is creating an enabling environment for people to enjoy a healthy life, longevity and run a productive life. According to the development paradigm of economic development, then there has been a change of measure of the success of economic development of the approach of economic growth into a human development approach.

Development of Human Resources includes an increase in basic capacity of the population will then increase the opportunity to participate in the development process. Basic capacity according to Todaro (2003), which constitute the three principal economic development success is the adequacy (sustenance), identity (selfsteem), and freedom. Sufficiency in this case is the ability to meet basic needs including food, clothing, shelter, health, and safety.

Development of human resources associated with a number of funds released today (when the construction is done) to improve human resource capacity in grabbing the chance to earn more in the future. The payoff is a higher level of income, achieve higher levels of consumption in the future. Human development is the impact of human resource development. While improving human capital itself can not be separated from economic performance. In other words, between the economy and its impact on human development have a strong relationship, and vice versa as a result of increased human quality in the long term will lead to increased economic (Munawwaroh, 2013).

Human development is one indicator of the progress of a country. A country is said to be developed not only calculated on the gross domestic product, but also includes the aspect of life expectancy and education. This is in line with the development paradigm that developed in the '90s were paradigms of human-centered development. In concept, human development is an effort to expand opportunities for achieving decent living population, which generally can be done through capacity building and purchase of electricity. On a practical level is to increase the capacity to increase the productivity of the population through increased knowledge and health status (Widodo et al, 2011).

Development of a country can not be said to be successful if only viewed from the size of gross domestic income without increasing human development. Often a high gross domestic product of a country is not matched by the level of human development in line anyway. This may ultimately lead to economic growth can not create public welfare caused by gaps economic level each community group.

One of the indicators to measure the success rate of development in a country is economic growth. According to Mirza (2012) in the development process, the high economic growth are the main target for developing countries. This is because economic growth is closely linked to increased production of goods and services in the community. More and more goods and services produced, improve social welfare. The higher the growth, the better. The success of a country's development also includes the quality of human resources. The higher the success of development in a country means signifies increased production will increase revenue. With the increase in revenue will

improve the quality of life and meet all basic needs. will ultimately improve the quality of human resources in the country.

Indonesia's economic progress from 2001 to 2009, although in the past three years the national economy are often faced with the world economic crisis. The high level of the current national growth has not been accompanied by reduced levels of poverty and low levels of human development. According to the BPS poverty rate in Indonesia in 2008 reached 15.42% while the economic growth rate of 6.38% is likely to have a positive trend when the global economic crisis. This suggests that the high rate of growth is not accompanied by a reduction in poverty levels (CBS, 2009).

Indonesia faces important problems such as the low levels of human development, this is an issue that is very important in creating economic development that is fair and equitable for all Indonesian people. low human development can be seen in the Human Development Index (HDI), better known as the Human Development Index issued by the United Nations Development Programme (UNDP). In the measurement of HDI, health and education is one of the main components in addition to income. Health and education is also an investment to support economic development as well as having an important role.

According to the Human Development Report 2007-2008, Indonesia's HDI of 0.728 in 2007 and ranks 107 out of 177 countries surveyed by the UNDP. Indonesia's GDP index is based on Purchasing Power Parity (PPP) reached 0.609 with a nominal value of US \$ 3,843. The better the PPP figures close to 1 then the purchasing power is better and vice versa. Indonesian life expectancy reached 69.7 years, or expressed in life expectancy index reached 0745. Education Index

reached 0.83 with a literacy rate of 90.4% and an average ratio of incoming elementary through high school reached 68.2%.

West Sumatra is one of the provinces in Indonesia which has a Human Development Index which was quite nice. In 2007 - 2011 West Sumatra ranks ninth out of 33 provinces in Indonesia.

Lanjouw in Ginting, et al (2008) state of human development in Indonesia is synonymous with poverty reduction. Investment in education and health would be more meaningful for the poor than the non-poor, because the main asset of the poor is their manual labor. The availability of cheap education and health facilities will help to increase productivity, and in turn increase revenue. Thus it can be said that human development is not optimal because it only focused on poverty reduction.

Poverty can create effects that are serious enough for human development because of the problem of poverty is a complex problem that comes from the inability of society to change and meet the essential needs of other needs such as education and health are ignored. This makes the human development gap between them becomes large and finally the achievement targets set by the government realized by either (Mirza, 2012). From an economic perspective, all of which will produce human resources that are less qualified, or can be said to have a low level of productivity. This in turn will have an impact on the limited wage / income they earn. So, in this case the development will affect the level of human development in the region.

Therefore, poverty can affect the value of human development index. Overall the percentage poor people in West Sumatra is lower than the national

percentage. In 2013 the percentage of poor people in the region reached 8.14 percent, while at the national level has reached 11.37 percent (CBS, 2014).

Here the author also adds unemployment as the variables studied. Due to the increasing number of unemployed often be one of the factors that become problems in the economy of a country .. Where unemployment is part of the labor force who are not working or looking for work (good for those who have never worked at all and who have not worked at all and who has never worked), or preparing a business, they did not look for work because it was not possible to get a job and those who already have jobs and those who already have a job but have not started working (Bappeda, 2011).

Based on the explanation above, the writer is interested to discuss how the development of human development in West Sumatra. Additionally in this study will also be seen how the influence of the level of poverty, unemployment and economic growth of human development index in West Sumatra.

1.2. Research Problem

Based on the background described, then there is a problem formulation that can be taken as a research study that will be conducted. The formulation of the problem is needed as a way to take a decision of this study:

- 1.) How the influence of the population of the poor to human development index in West Sumatra on 2011 – 2014 ?
- 2.) How the influence of the unemployment rate to human development index in West Sumatra on 2011 – 2014 ?
- 3.) How the influence of the economic growth to human development index in West Sumatra on 2011 – 2014 ?

1.3. Research Objectives

As for the purpose of writing thesis this is:

1. To analyze the influence of the population of the poor to human development in West Sumatra.
2. To analyze the influence of the unemployment rate to human development in West Sumatra.
3. To analyze now and assess the influence of the economic growth to human development in West Sumatra.

1.4. Research Advantage

While the advantages of this study are as follows:

1. As an additional study materials and science for students of the Faculty of Economics in general and students of the Department of Economics and Development Studies in particular.
2. Can be used as a source of useful input to the West Sumatra provincial government in making decisions in the future and serve as a reference.
3. Can be used as input for other researchers with similar research type.

1.5. Systematic Writing

Systematic used to develop research is as follows:

Chapter I : Introduction

This chapter is part of the introduction containing background on the reasons why choosing this study, the formulation of the problem, research objectives and usefulness of the research and systematic writing.

Chapter II: Review of Literature

This chapter contains theories and previous research that underlies this study, the theoretical framework and hypotheses.

Chapter III: Research Methodology

This chapter explains the variables used in the study, and operational definitions, types and sources of data, methods of collection and analysis methods used in the study.

Chapter IV: Overview

This chapter contains the description of the general description of the object of study

Chapter V: Results and Discussion

This section discusses the results and analysis of the variables that were analyzed and discussed as well as where the influence of the independent variable on the dependent variable.

Chapter VI: Conclusions and Recommendations

This chapter is the last chapter contains the conclusions Based on the results of data analysis and discussion. In this chapter also contains suggestions are recommended to certain parties on the basis of the findings.

