

## CHAPTER VI

### CONCLUSION AND RECOMMENDATION

#### 6.1. The Conclusion

This research analyzes the influence of the independent variable is government spending in education, public expenditure on health and poverty on the dependent variable, namely human development index in Indonesia during 2010-2014. Conclusions that can be drawn is:

From regression model testing can be calculated that the human development index in Indonesia over period 2010-2014 is influenced by poverty, government spending on education and government spending on health about 97 percent. Other, 3 percent human development index variation is explained by other variables which aren't in the model.

The effect of government spending on education to human development index are significant, this study consist of Rifki (2014) study explain about a good distribution of the education budget so that each institution can feel the real effect of the budget for education in human development

The effect government spending on health to human development index are not significant, this study consist of Baeti (2013) finding that government spending on health positive on human development index because the amount of government spending in the health sector in the province of Central Java has been able to assist the growth of the human development index in Central Java, this is because the provincial government of Central Java has higher spending on health to serve people such as build hospitals and clinics, give insurance so the people will get the better health.

The effect poverty on human development index are significant, this study consist of Ranis (2004), if the poor earn higher incomes or in other words a reduction in poverty levels it will affect the improvement of human development through an increased share of household expenditure spent on food is more nutritious and higher education.

## 6.2. The Recommendation

For the government:

The government needs to consider the using of budget of education in the province. Since the government already apply the policy which is 20% from APBN will be use for education, but in case, not all of province government apply that police, only several which is apply the 20% of APBD for education. .

In health sector,the goverment already apply 5% of APBN for health, and from January 2014 the goverment change the program from JAMKESMAS to BPJS which is there is no more reason for poor people will not get the health care.

Central and local governments should pay more attention and further enhance poverty reduction programs, both based social assistance such as education, health care, and food. Such as community-based institutional aspects and outreach. And based on the empowerment of small businesses that can be done by providing capital assistance or financing a micro scale, and improving skills and business management.

