

## CHAPTER VI

### CONCLUSIONS AND RECOMMENDATIONS

#### 6.1. The Conclusions

This research analyzes the influence of the independent variable that is Government Spending in Education (GSE) and Government Spending in Health (GSH) on the dependent variable, namely Human Development Index (HDI) in Indonesia during 2011-2015. Conclusions that can be drawn is:

From regression model testing can be calculated that the Human Development Index (HDI) in Indonesia over period 2011-2015 is influenced by Government Spending on Education (GSE) and Government Spending on Health (GSH) about 22.64 percent. Other, 77.36 percent of Human Development Index variation is explained by other variables which aren't in the model.

According to the research in this thesis, the effect of Government Spending on Education to Human Development Index are negative but significant, this means the higher of government budget for education, the lower HDI and vice versa. This study consist of Irna et al. (2015) that explain about government spending on education (GSE) in East Java are negative but significant to HDI that caused by the budget allocating for education sector in East Java is not normally distributed and just the district with the lack of education budget is budgeting by the provincial government.

In others hand, the effect of Government Spending on Health to Human Development Index are positive and significant, this is because of the amount of government spending on health sector in Indonesia has been able to assist the growth of the Human Development Index in Indonesia. The government should

build more health facilities, give insurance so the people will get the better health. This study consists of Nasution (2010) that explain about an increase in government spending on the health (GSH) sector will increase the human development index.

## 6.2. The Recommendation

Based on the analysis and discussion of the result of testing the hypothesis put forward some suggestions that may be useful for :

1. The Government - needs to consider several factors that influence the improvement of the quality of education and health. Among them is the equity in educational development, especially in areas with inadequate access to education. This can be done by channeling funds for education, development of educational facilities, as well as protect the public in order to be aware of the importance of education. The government needs to pay attention to things that affect the quality of healthcare. That is, with the development of physical fitness and non-physical. Physically is to improve and expand health care centers and non-physical is more to services such as counseling, or other health initiatives, as well as protect the society in order to realize the importance of health
2. Future Researcher – as reference material for further research, and was advised to try using another methods and variable or more variables used, as in the agricultural sector, the social sector and other development sectors budgeted by the government as government spending may affect growth of Indonesian economy.