

CHAPTER V

CONCLUSION AND RECOMMENDATIONS

5.1 Conclusion

The study proposes to analyze the impact of Corruption, Urbanization and CO₂ emissions on the Human Development Index in Indonesia. The research used Corruption perception Index (CPI), Urban Population, CO₂ emission as independent variable and Human Development Index as the dependent variable. The data used in this study from 1995 to 2022 and the research used two methods. First, the variables in this study were tested using the Pearson correlation method. The test results using Pearson correlation showed a negative and significant correlation with a moderate level of relationship among the variables of the Corruption Perception Index and the Human Development Index. In addition, a positive and significant relationship exists with moderate levels between the CO₂ emission variable and the Human Development Index.

The variables were tested using the ARDL method after performing the Pearson correlation test. The ARDL estimation indicates that the Corruption Perception Index of an Urban has a negatively significant relationship with the Human Development Index and the CO₂ emission variables have a positively significant relationship with the Human Development Index both in the short-term and in the long-term. Simultaneously, the Human Development Index is influenced by Corruption Perception Index, urban population, and CO₂ with adjusted R² 59.23%.

5.2 Recommendations

1. The government must strive to reduce corruption in Indonesia. By reducing corruption, it will increase the Corruption Perception Index. The increasing value of the Corruption Perception Index will increase the Human Development Index value in Indonesia.
2. In order to accommodate the growing population, it is imperative that the government develops adequate infrastructure in the areas of education, health,

and transportation. This will facilitate the accessibility of essential services for all.

3. The need to implement policies that facilitate the movement from the use of fossil energy sources to the use of renewable sources of energy. In this manner, CO₂ emissions can be reduced.

