

FACTORS INFLUENCING ECONOMIC GROWTH IN LAMPUNG PROVINCE DURING THE COVID-19 PANDEMIC ARE MODERATED WITH THE HUMAN GROWTH INDEX

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ARTICLE INFO	ABSTRACT
<p>Keywords : Covid-19, Factors, Economic Growth</p> <hr/> <p>E-mail: @fitriyanti2021@student.uny.ac.id</p>	<p>Lampung province, which consists of 15 regencies/cities, is one of the provinces that has the fastest economic growth to recover during Covid-19. Therefore, researchers have a very high curiosity about what factors have influenced Lampung's economic growth in the last 5 years, especially in the year the Covid-19 pandemic occurred.</p>
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1. INTRODUCTION

Lampung is a province consisting of 13 regencies including West Lampung, Tanggamus, South Lampung, East Lampung, Central Lampung, North Lampung, Way Kanan, Tulang Bawang, Pesawaran, Prinsuwu, Mesuji, West Tulang Bawang, and West Coast. This province also has 2 cities, namely the city of Bandar Lampung and the city of Metro. During the Covid-19 pandemic, Lampung Province was one of the provinces that had the fastest economic growth, recovering at the same time as the provinces in SUMBAGSEL [1].

Provinsi/Province	2017	2018	2019	2020*	2021**
Aceh	4,18	4,61	4,14	- 0,37	2,79
Sumatera Utara	5,12	5,18	5,22	- 1,07	2,61
Sumatera Barat	5,30	5,14	5,01	- 1,60	3,29
Riau	2,66	2,35	2,81	- 1,12	3,36
Jambi	4,60	4,69	4,37	- 0,46	3,66
Sumatera Selatan	5,51	6,01	5,69	- 0,11	3,58
Bengkulu	4,98	4,97	4,94	- 0,02	3,24
Lampung	5,16	5,23	5,26	- 1,67	2,79
Kepulauan Bangka Belitung	4,47	4,45	3,32	- 2,30	5,05
Kepulauan Riau	1,98	4,47	4,84	- 3,80	3,43
DKI Jakarta	6,20	6,11	5,82	- 2,36	3,56
Jawa Barat	5,33	5,65	5,07	- 2,44	3,74
Jawa Tengah	5,26	5,30	5,40	- 2,65	3,32
DI Yogyakarta	5,26	6,20	6,59	- 2,69	5,53
Jawa Timur	5,46	5,47	5,52	- 2,39	3,57
Banten	5,75	5,77	5,29	- 3,38	4,44
Bali	5,56	6,31	5,60	- 9,31	- 2,47
Nusa Tenggara Barat	0,09	- 4,50	3,90	- 0,64	2,30
Nusa Tenggara Timur	5,11	5,11	5,24	- 0,83	2,51
Kalimantan Barat	5,17	5,07	5,09	- 1,82	4,78

Figure 1 Economic Growth in Indonesia 2017-2021

According to UNDP, economic growth is often influenced by Health, Education and Human Development [2]. However, some researchers have varied views [3]. According to [4], [5] and [6] Health has no positive effect on economic growth. On the contrary, according to [7] Health has a positive effect on economic growth. According to [7] and [4] Education has a positive effect on economic growth. According to [8] that HDI has a positive influence on economic growth. In addition, the determining indicators for HDI are the quality of education and health so that researchers believe HDI can moderate the indirect effects of health and education on HDI [2].

Based on the theory from UNDP and the various views of the researchers above, the authors strongly suspect that the factors influencing Lampung province's economic growth during the Covid-19 pandemic were health, education and HDI. Therefore this study aims to determine the direct effect of health on economic growth, education on economic growth, and HDI on economic growth. In addition to the direct effect, this study also aims to find out the indirect effect of health and education on economic growth through HDI [2].

2. LITERATURE REVIEW

Economic growth

According to [8] economic growth and development have different definitions, namely economic growth is the process of increasing per capita output continuously in the long term. Economic growth is one indicator of the success of development. Thus, the higher the economic growth, the higher the social welfare, although there is another indicator, namely income distribution.

According to UNDP, economic growth is often influenced by Health, Education and Human Development/IPM. In line with this, several researchers have varied views. According to [4] and [7], and [6] Health has no positive effect on economic growth. On the contrary, according to [9] Health has a positive effect on economic growth. According to [5] and [4] Education has a positive effect on economic growth. According to [8] that HDI has a positive influence on economic growth.

Health

In RI Health Law no. 36/2009. Health or health is a state of well-being of body, soul and social life that allows everyone to live productively both economically and socially. This means that health does not only have physical, mental and social dimensions, but also includes economic dimensions [10]. Thus, a person is declared physically, mentally and socially healthy, but is not productive economically or socially, that person cannot be declared healthy. Economically, productivity is measured by work, socially it is measured by various activities related to improving the quality of life for oneself, others or society [11]. Thus, in order for health services to be relevant to improving the nation's health status, various new health service policies are needed. Thus, the paradigm of health services must be changed from conventional health services to a new paradigm of health services. Good health in the form of physical, mental and social is believed to increase economic growth [9].

Education

There are 3 theories which discuss that education influences economic growth, including the theory of human capital. Human capital theory explains the process by which education has a positive influence on economic growth. This theory has dominated the literature on economic development and education from the post-second world war to the 1970s. Its pioneers include the winner of the Nobel prize in economics Gary Becker from the University of Chicago, USA, Edward Denison and Theodore Schultz, who is also the winner of the Nobel prize in economics for his research on this problem [12]. The argument put forward by supporters of this theory is that people who have a higher level of education, which is also measured by the length of time they go to school, will have better jobs and wages compared to those with lower education. If wages reflect productivity, the more people who have higher education, the higher productivity will be, so that the national economy will grow higher [13]. A good education can produce better human beings by getting jobs and other compensation. Directly and indirectly this can increase economic growth [14], [4], dan[5].

Human Growth Index

The Human Development Index (IPM) [2] is an outline of the proportion of basic achievements in the main components of human development, namely: long and healthy life, education and needs. Human development is a concept that makes humans the end result of development. According to the United Nation Development Program [2], to see the achievement of the Human Development Index (IPM) between regions, you can score by creating groups for the Human Development Index criteria in several groups, namely: HDI < 60: low HDI, 60 ≤ HDI < 70: HDI moderate, 70 ≤ HDI < 80: high HDI and HDI ≥ 80: very high HDI [15].

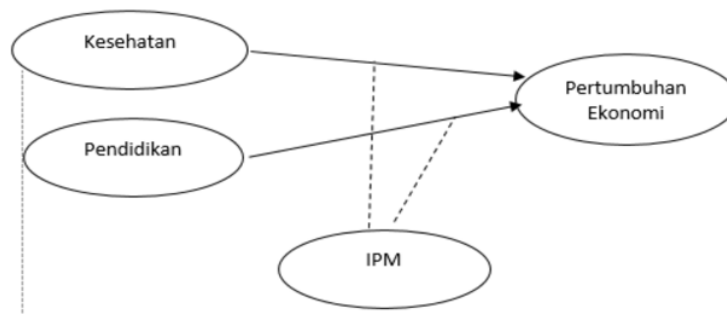


Figure 2. Human Development Index

Research Hypothesis

Based on the problem formulation and conceptual framework above, the research hypothesis put forward by the researcher is as follows:

1. The direct effect of health on economic growth.
2. The direct effect of education on economic growth.
3. HDI moderates health on economic growth.
4. HDI moderates education on economic growth.

3. METHOD

The type of research used is quantitative research using path analysis models [16](*path analysis*). This research method is associative using 2 independent variables, 1 dependent variable and 1 moderating variable. Source of data used secondary data. In this study, data collection was carried out using literature and manuals. The data used in this study were obtained from the Central Bureau of Statistics for Lampung Province from 2017-2021. The population in this study were 15 cities/districts in Lampung. The sample in this research is *annual report* which includes Health(Health), Education (Education), in Lampung from 2017-2021 with a total of 300 data. Data analysis used the Partial Least Square (PLS) method with the help of the SmartPLS 3 program.

4. RESULT AND DISCUSSION

Table 1. Results of Direct and Indirect Effect Tests

Variable	T-Statistics	P-Values	Information
Health----) Economic Growth	2.650	0.007	Accepted
Education-----) Economic Growth	2.252	0.009	Accepted
HDI*----)Health----) Economic Growth	10.432	0.000	Accepted
HDI*----)Health----) Economic Growth	8.671	0.000	Accepted

H1: Effects of Health on Economic Growth

Based on the results of the table above, health has a positive and significant effect on economic growth because the t-statistic value is greater than 1,960, namely 2,650 and the p-values are smaller than 0.05, namely 0.007. This is in line with [4], [14], [5], [17], and [6] stating that health has a positive effect on economic growth. Health can increase people's productivity at work and in carrying out any activity. It can be concluded from these results, the first hypothesis can **beaccepted**.

H2 : Effect of Education on Economic Growth

Based on these results, education has a positive and significant effect on economic growth because the t-statistic value is greater than 1,960, namely 2,252 and the p-values are greater than 0.06, namely 0.009. This is in line with research [14], [4], dan [18] which states that education has a positive effect on economic growth. By increasing education, the quality of work, the eligibility of ihudpp costs, the eligibility of compensation, and welfare can be improved. Directly and indirectly it can increase economic growth. Thus the second hypothesis **canaccepted**.

H3: Human Growth Index Moderates Health Against Economic Growth

Based on the above results, HDI can moderate the effect of health on economic growth. This is indicated by a significant shift in t-statistics and p-values from 2,650 to 10,432 above 1,960 and p values from 0.007 to 0.000 below 0.05. This is in line with the assumptions of researchers, that there are a number of studies and theories which say that indicators of HDI are health and education and health and education have a positive effect on economic growth [19].

H4: Human Growth Index Moderates Health Against Economic Growth

Based on the above results, HDI can moderate the effect of education on economic growth. This is marked by a significant shift in t-statistics and p-values from 2,252 to 8,671 above 1,960 and p values from 0.009 to 0.000 below 0.05. This is in line with the assumptions of researchers, that there are a number of studies and theories which say that indicators of HDI are health and education and health and education have a positive effect on economic growth [19].

Table 2 R-Square

Economic growth	R Square	R-Square Adjusted
	0.921	0.916

Based on the results above, Economic Growth is influenced by health, education, and HDI variables by 92% and the remaining 8% is influenced by other variables. The influence of 92% includes a strong influence above 75%, being above 50%, and a weak influence above 25% [20].

4. CONCLUSION

Based on the results above, it can be concluded that education and health have a positive and significant effect on economic growth. In this study, there are interesting results, namely the shift in t-statistics which is more significant in the effect of poverty and education when moderated by the HDI variable. Researchers' suggestions for further research can develop this research by adding research data in the form of additional provinces, years, and research variables

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