

The Impact of Human Capital on Poverty Levels in South Sulawesi Province

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Abstract

One of the main problems faced by developing countries like Indonesia is poverty. Another difficult problem that is passed down from generation to generation is poverty. Education and per capita expenditure are two examples of investment in human resources. South Sulawesi is one of the provinces in Indonesia that has a high level of poverty. quite high. Several factors that contribute to poverty in South Sulawesi include low levels of education, lack of economic and social infrastructure, as well as inequality in income. The HDI has several indicators, where in this research the indicators used are the education index and the per capita expenditure index. The education index is a reflection of the results of development in the education sector which has a strategic position, considering that the quality of Human Resources (HR) reflected in it really determines the level of productivity of a country. The education index is used to measure the dimension of knowledge as a human development variable. This education index is a combination of two educational indicators, namely the expected number of years of schooling and the average number of years of schooling. Per capita expenditure can influence poverty levels (BPS, 2021). The author analyzed the data using quantitative methods and will be analyzed using SPSS. Type of data used is secondary data from the relevant organization, namely BPS. The time series data used is Time Series data for 2010–2023. The analysis used is multiple linear regression analysis. From the results of this research, it can be concluded that the education index and per capita expenditure index has a negative and significant effect on the poverty level. Judging from the R square of 0.926 or 92.6%, this means that the education index and per capita expenditure have an influence on the poverty level in South Sulawesi, while 7,4% is influenced by other variables outside of this research which are not.

Keywords: Education index, percapita expenditure index, poverty level

1. Introduction

One of the main problems facing developing countries like Indonesia is poverty. Another difficult problem passed down from generation to generation is poverty. Even though the number of poor people in Indonesia has recently decreased, poverty is still a significant problem due to a person's inability to fulfill their basic needs.

States that not having enough money or resources to meet needs such as housing, food, clothing, and good standards of health and education is one of the causes of poverty [1]. Additionally, poverty is associated with a lack of employment opportunities; Individuals who are classified as poor usually do not work (unemployed).

According [2] in their research entitled " The Influence of the Human Development Index (HDI) and Economic Growth on Poverty Levels in West Sumatra Province for the period 2013-2018," a person is said to be poor if they are unable to fulfill their basic needs. Relative poverty is defined as inequality in income distribution, giving rise to inequality. In

addition, even if someone believes they can fulfill their basic needs but their income is still below the community average, they are still considered poor.

Economists often use the term “ human capital” to describe capabilities such as health, education, and other human capacities. Productivity can increase if it is improved [3]. A person who invests with the aim of achieving higher levels of consumption in the future can understand the concept of human capital. Education and per capita spending are two examples of investments in human capital

[4] emphasized that absolute poverty and relative poverty can be distinguished from each other using income measures. Based on its temporal pattern, poverty can be classified into four categories: (1) persistent poverty, namely poverty that is inherited or chronic; (2) cyclical poverty, which follows the general economic cycle; (3) seasonal poverty, namely seasonal poverty which is generally related to agriculture and fisheries; and (4) poverty due to accidents, namely poverty caused by natural disasters, conflict and violence, or as a result of certain policies that reduce people's standard of living.

The average number of years of schooling and the literacy rate are two components combined to measure educational indicators. The percentage of the population aged 15 years and over who can read and write Latin letters and/or other letters is called the literacy rate. The number of years spent by individuals over the age of 15 in formal education is referred to as their average years of schooling. As the availability of education becomes more widespread, the literacy component is considered too simple to measure educational attainment. These two elements are suitable metrics for assessing a person's level of education. The average length of a person's education can accurately reflect the quality of his or her education; for example, elementary school graduates and doctoral graduates will have it

According to [5] the relationship between human capital and Poverty can be explained from 3 types, namely, through a higher level of education tends to increase an individual's chances of getting a better job and

with higher income. Well-educated individuals have greater skills and knowledge, which allows them to compete in an increasingly competitive labor market. Thus, investment in education can help reduce poverty levels by providing better economic opportunities

South Sulawesi is one of the provinces in Indonesia which has a fairly high level of poverty. Several factors that contribute to poverty in South Sulawesi include low levels of education, lack of economic and social infrastructure, as well as inequality in income which is also the cause of poverty in South Sulawesi, the government's efforts. and various non-governmental organizations have undertaken to overcome the problem of poverty in South Sulawesi through economic development, education and health programs.

In just ten years, the Human Development Index (HDI) of South Sulawesi Province has increased. South Sulawesi's HDI grew from 67.92 in 2013 to 72.82 in 2022. South Sulawesi's HDI grew by an average of 0.81 percent per year during that period, rising from "medium" to "high" levels since 2017 .As South Sulawesi's economy continues to improve after COVID-19, HDI is expected to grow by 0.80% in 2022 compared to 2021, which is a faster growth rate than in 2021. In South Sulawesi, the Human Development Index has an

impact of 0.43 percent against poverty. All components have increased, thus supporting the achievement of the HDI in 2022, which will increase by 0.58 points in 2022 [6].



Figure 1. Total human development index for South Sulawesi 2013-2022

The HDI has several indicators, where in this research the indicators used are the education index and the per capita expenditure index. The education index is a reflection of the results of development in the education sector which has a strategic position, considering that the quality of Human Resources (HR) reflected in it greatly determines the level of productivity of a country. The education index is used to measure the dimension of knowledge as a human development variable. This education index is a combination of two education indicators, namely the expected number of years of schooling and the average number of years of schooling. Per capita expenditure can influence poverty levels [7].

The underlying reason The reason behind the researcher's decision to take the title of this research was because of the short duration of the previous research. Because the education index and per capita expenditure index can fluctuate annually, this limitation may have an impact on the validity and accuracy of the researchers' findings. The aim of this research is to find out whether the per capita expenditure index and education index have an effect on the poverty level in South Sulawesi province from 2013 to 2022.

2. Methodology

To solve the problem the author carried out data analysis using a quantitative method, namely a method of analyzing data obtained in the form of numbers and will then be discussed and analyzed using SPSS statistical tools. The type of data used is secondary data from the relevant organization, namely BPS. The data used is Time Series data for 2013–2022. The analysis used is multiple linear regression analysis, which is an analysis used to determine the closeness of the relationship between the independent (free) variable and the dependent (bound) variable.

3. Result and Discussion

Table 1. Statistical Analysis Results

		Coefficients ^a				
		Unstand ardzied Coefficients		Stand ardzied Coefficients		
Model		B	td. Error	Beta	t	ig.
1	(Constant)	23,856	,508		15,822	000
	Education_Index	-1,024	250	-,638	2,228	002
	Percapita_expenditur_ndex	-,353	154	-,359	2,228	042

Based on the calculation results in table 2, the significant partial regression coefficient test (t-test) above is:

1. calculated t value > t table (4.102 > 2.228) with a significance level value of 0.002 < 0.05, so it can be concluded that the education index variable has a positive and significant effect on the poverty level in South Sulawesi province
2. calculated t value > t table (4.102 > 2.228) with a significance level value of 0.042 < 0.05, so it can be concluded that the per capita expenditure index variable has a significant and influential effect on the level of poverty in South Sulawesi province.

Table 2. Significant Partial Regression Test

Model		Sum of Squares	df	Mean Square	F	Sig.
1	Regression	10,115	2	5,058	68,416	,000
	Residual	,813	11	,074		
	Total	10,928	13			

Based on the table above, it is known that the significant value is 0.000 < 0.05 and the calculated F value is 68,416 > F table 4.102. So it can be stated that the education index and per capita expenditure index simultaneously influence the poverty level in South Sulawesi Province.

Table 3. Determination Coefficient Test

Model Summary				
Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	,962 ^a	,926	,912	27189

Coefficient of determination analysis is used to calculate the proportion of influence of the independent variable on the dependent variable simultaneously. Based on the results of

regression analysis of time series data, a coefficient value (R^2) of 0.926 was obtained, which means that the education index and per capita expenditure index have an influence of 92.6% on the poverty level, while other factors from outside this research have an impact of 7.4%.

4. Conclusion

Based on the analysis and discussion, the following conclusions can be drawn:

1. The results of this research show that education has a significant and influential effect on the poverty level variable. In other words, education is very effective in reducing poverty levels. Through education, the quality of human resources will increase and will encourage a reduction in poverty levels.
2. The per capita expenditure index has a significant influence on economic growth. When the amount of poverty increases, economic growth remains high. The education index and per capita expenditure index have a significant influence on the poverty level.

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