pISSN : 2301 – 8968

JEKT ♦ 16 [1] : 11-30 eISSN : 2303 – 0186

The Effect of Labor, Fiscal Decentralization, And Local Income On The Human Development Index Mediated By The Economic Growth Of Urban And District Areas In East Java Province In 2017-2021

Muhammad Yusuf

ABSTRACT

Indonesia`s intensively encouraging even better economic growth by the role of labor as one of the factors of production that will affect the high level of national income in terms of quality or quantity alone. The purpose of this study is to determine the effect of labor, fiscal decentralization, and local income on the human development index mediated by the economic growth of urban and district areas in east java province in 2017-2021. The quantitative research method was applied in this research with Explanatory Research, which employs hypothesis testing to explain the correlation among independent and dependent variables. The population in this research was the City of East Java Province in the research period during the period 2017 – 2021. The determination of the number of samples used by researchers is by the census method. The data employed in this study is secondary data using panel data from 2017 – 2021. The analysis technique carried out is the Model Moderator Regression Analysis (MRA), with the help of SPSS version 26 application. This study concludes that the Labor variable has an influence on the Human Development Index, the Fiscal Decentralization variable has no effect on the Human Development Index, the Local Revenue variable has an influence on the Human Development Index, the Regional Economic Growth variable has no influence on the Human Development Index, the Labor variable has an influence on Regional Economic Growth, the variable Fiscal Decentralization has no effect on Regional Economic Growth, the Local Revenue variable has no influence on Regional Economic Growth, the Regional Economic Growth variable cannot mediate the influence of Labor on the Human Development Index, the Regional Economic Growth variable cannot mediate the effect of Fiscal Decentralization on the Human Development Index and Regional Economic Growth variables cannot mediate the effect of Local Revenue on the Human Development Index.

Keywords: Labor, fiscal decentralization, local income, human development index

INTRODUCTION

The Human Development Index (HDI) is one method for assessing a nation's performance in the field of human development (Resce, 2021). The Human Development Index is among the indicators to assess the level of physical and non-physical quality of the population (Leon-Castro, Blanco-Mesa, Romero-Serrano, & Velázquez-Cazares, 2021). The Human Development Index is a composite indicator that incorporates three aspects of human development that are deemed

fundamental in terms of the population's physical and non-physical traits (Yumashev, Ślusarczyk, Kondrashev, & Mikhaylov, 2020).

Human development encompasses more than merely economic growth, increasing income, and the cycle between commodity production and capital accumulation (Dasic et al., 2020). Human development requires attention for several reasons. For instance, many developing countries, include Indonesia, successfully accomplished economic growth while failing to alleviate social disparity and poverty. Additionally, many high-income developed countries have failed to reduce social issues such as drug misuse, AIDS, alcoholism, vagrants, as well as domestic violence. Furthermore, several low-income countries may attain a high degree of human development by utilizing all available resources properly to develop fundamental human qualities (Raikes, Smith, Baldwin, & Henstra, 2021).

A stable and growing economy is the primary goal of every country. In achieving this goal, it can be achieved through economic development. While in current development, many countries have adopted economic development to be able to influence the economy (Otero et al., 2020). Meanwhile, the government's participation in development will be highly essential via the formation of programs that will be implemented to the community or area as specified in the fiscal policy that is developed (Peterson, 2017).

According to Waheed, Sarwar, & Wei (2019), economic development shows the outcomes of changes in output structure and the allocation of inputs in the economic sector which can cause an increase in output through productivity. According to Bove & Elia (2017), The level of economic progress indicates the success of development because the development of economic sector activity can be measured through the level of economic growth. Economic growth and development should be inseparable, but are inseparable unitary things.

The term of economic growth is an increase in output capacity derived from

a production process in the form of an increase in national income (Oliveira & Moutinho, 2021). The Asian Development Bank (ADB) shows that Indonesia's economic growth needs to be considered. In 2018, Indonesia ranked 6th out of 10 countries in Southeast Asia, at 5.2%. These results show that the Indonesian state is still far behind the neighboring countries (Dat, Hoang, Huyen, Huy, & Lan, 2020). Therefore, currently, the Indonesian state is intensively encouraging even better economic growth (Halilintar, 2018).

In order to achieve even better growth, one of the government's current efforts can be done is to increase human resources. Human development is an investment of human capital that must be done, as in physical capital (Croes, Ridderstaat, & Shapoval, 2020). The scope of human resource development includes education and training, health, nutrition, and entrepreneurial development, which will later end with an increase in human productivity. Therefore, human resource development indicators include education, health, nutrition, and others (Strohmeier, 2020). In order to make it easier to see human development, the United Nation Development Program (UNDP), a UN organization, has issued a calculation under the name Human Development Index (HDI). Also, in its development, Indonesia calculated the existence of human capital that is not much different, which is the Human Development Index (HDI). Therefore, the index has three dimensions: health, education, and a person's capability to fulfill the needs of a decent life (García-Tizón Larroca et al., 2020).

Labor is an element that influences the Human Development Index (HDI). Additionally, the role of labor as one of the factors of production that will affect the high level of national income in terms of quality or quantity alone (Ryan & McCarthy, 2019).

Labor has several definitions. According to Law No. 13 of 2003 regarding Labor, labor is those who can work to generate commodities and/or services for their personal and the

community's needs (Suryadi, Syarief, Suwadji, & Kurniawati, 2021). Law No. 25 of 1997 describes labor as a group of 15 years or older, however the most recent labor law, Law No. 13 of 2013, does not include an age restriction in the meaning of work, although it does ban the employment of children. According to Law No. 25 of 1997 on employment, children are people under 15 years old (Baharin, Syah Aji, Yussof, & Saukani, 2020).

The quantity of workers, not quite the labor force, makes up labor or manpower. The labor force refers to the portion of the workforce that desires and produces products and services. The labor force is made up of the working class, the unemployed, and the job-seeking group. The non-labor force group consists of the group who goes to school, the group that takes care of the household, and other groups or income recipients (Ranita, 2020).

Fiscal Decentralization began with Law No. 32 of 2004 regarding local government and Law No. 33 of 2004 upon Financial Balance among the Central Government and Regional Government, which states that district/city governments are authorized and responsible for providing extensive public services in almost all areas of public life (Nursini & Tawakkal, 2019). This turned fiscal management that was originally centralized into decentralization.

In Law No. 32 of 2004 concerning regional government, in the framework of the Unitary State of the Republic of Indonesia, decentralization is described as the shift of government authority from the (central) government to autonomous regions to control and administer government matters (Wibowo, 2018). Fiscal decentralization refers to the delegation of responsibility, as well as the division of authority and power for decision-making with in the fiscal sector, which encompasses features of revenue (*tax assignment*) and components of expenditure (*expenditure assignment*) (Digdowiseiso, Sugiyanto, & Setiawan, 2020).

The degree of Fiscal Decentralization refers to a formula that

describes the amount of central government interference in regional development that demonstrates the independence level of local governments in carrying out regional autonomy. So that the higher the ratio of Fiscal Decentralization Degrees, the better the ability of regional financial independence to support regional autonomy (Siburian, 2020).

Decentralization represents a shift of trust from the central government to local governments. This will automatically restore the government and local people's self-esteem. They are unable to solve different issues in a centralized system. They are pushed to discover inventive solutions to numerous difficulties in this autonomous system (Ashfahany, Djuuna, & Rofiq, 2020).

According to Pal & Wahhaj (2017), it is described succinctly as a strategy of financial allocation from the higher level of government towards the lower level of government to support government operations, including public services in accordance with the numerous authorities of the decentralized field of government. Thus, in general, fiscal decentralization is defined as the system of financial allocation from the higher level of government towards the lower level of government to support government duties or tasks and public services in line with the numerous assigned government authorities (Ginting, Hamzah, & Sofilda, 2019).

The following is the analysis tool according to the concept of Ginting (2019), to determine the level of fiscal decentralization across regional and central governments:

- Regional Original Income / Total Regional Income x 100%
- Tax and Non-Tax Revenue for Regions / Total Regional Income x 100%
- Regional Contribution / Total Regional Income x 100%

With total original income or total pendapatan daerah (TPD) is regional original income or pendapatan asli daerah (PAD), tax and non-tax revenue for regions or bagi hasil pajak dan bukan pajak untuk daerah (BHPBP) and regional contribution or sumbangan

daerah (SD) if the calculation result is higher than the Central Government aid, then the decentralization is high (independent), and vice versa if the calculation result is lower than the Central Government aid then the decentralization is also low (not / less independent).

Based on the criteria made by the Faculty of Social and Political Science (Fisipol) UGM with the Ministry of Home Affairs' Research and Development Agency in 1991 (Tan, 2010), the benchmark for the degree of fiscal decentralization can be categorized as table 1.

Table 1: Fiscal Decentralization Categorized

Percentage degree of Fiscal Decentralization	Decentralization Ratio Criteria
00,00% – 10,00%	Very Lacking
10,01% - 20,00%	Less
20,01% - 30,00%	Sufficient
30,01% - 40,00%	Average
40,01% - 50,00%	Good
>50,00%	Excellent

Source: Tan, 2010

The Local Revenue, or PAD (*pendapatan asli daerah*), is the revenue acquired by the region through regional sources inside its own area and collected in agreement with regional rules or relevant legislation. The Local Revenue sector is critical because it demonstrates the extent to which an area can finance government operations and regional development (Abdullah, Christan, Hartono, & Febryanti, 2021).

The greater the involvement of local revenue (PAD) in the regional financial system, the higher the function of PAD with in regional financial structure. The greater the region's financial capabilities to carry out regional development operations (Sirojuzilam, Turnip, & Saputra, 2020).

Local revenue (PAD) is derived from its income, which are regional levies, local taxes, the results of segregated wealth management, as well as other legitimate local original income. The original regional income is said to be suitable d for meeting the financing of regional development if the achievement of the percentage exceeds 70% of the total PAD acceptance (Abdullah et al., 2021).

The Human Development Index (HDI) is often utilized to determine how well a country is developed, a developing country or a retarded country as well as to assess everything from economic variety of quality of life (Rama & Yusuf, 2019). The United Nations Development Programme (UNDP) describes human development simply as "*a process of enlarging people"s choice,*" that also refers as a process of broadening options for humans. The most essential option is to have a long and healthy life, to be well-informed, as well as having access to the resources necessary to have a decent life (Lucia & Grisolia, 2021). According to the human development paradigm, the main goal of human development is to expand human choices, that is, the formation of human abilities as reflected in health, increased knowledge and expertise, as well as the use of the abilities he already has to work, enjoy life or be active in various cultural, social and political activities.

Table 2: Human Development Paradigm

Dimension	**Indicator**
Long and healthy life	1. Life expectancy at birth
Knowledge	1. Expected years of schooling 2. Mean years of schooling
A decent standart of living	1. GNI per capita

Source: https://hdr.undp.org/data-center/human-development-index#/indicies/HDI

Economic growth is among the indications of an economy's success. The growth represented by changes in national production determines an economy's development (Andriansyah, Nurwanda, & Rifai, 2021). A short-term economic analysis is the existence of changes in production in the economy. In general, there are two types of economic growth theories: classical economic growth theory and current economic growth theory. According to the classical economic growth theory, the analysis is based on the trust and efficacy of free market systems. This theory is a theory originated by classical economists including Adam Smith, David Ricardo (Aristizábal & García, 2021).

RESEARCH METHODS

The quantitative research method was applied in this research. Sugiyono (2013) defines quantitative research techniques as a research methodology based on the idea of positivism, used to analyze particular populations or samples, analysis of the data is quantitative or numerical, and statistical computations are used to evaluate prepared hypotheses. Furthermore, this is *Explanatory Research*, which employs *hypothesis testing* to explain the correlation among independent and dependent variables. The population in this research was the City of East Java Province in the research period during the period 2017 – 2021.

The sample is a subset of the population in terms of number and traits (Sugiyono, 2015). The samples employed in this study were all part of the population taken as samples. The determination of the number of samples used by researchers is by the census method. The census or saturated sample is a sample determination technique when all population members are used as samples.

The census sample approach was used in this research. Census sampling is a method of sampling which all population members are used as samples. Human Development Index variable is used in this study as a dependent variable. In contrast, the independent variables are Labor, Fiscal Decentralization, and Local Revenue. For the mediation, the variable is Regional Economic Growth, also the data employed in this study is secondary data using panel data from 2017 – 2021. The analysis technique carried out is the Model Moderator Regression Analysis (MRA), with the help of SPSS version 26 application.\.

RESEARCH RESULTS

The outcomes of research performed by researchers required the passage of classical assumptions made by researchers. In this study, the classical assumptions required to proceed to the analytical test phase are the Multicollinearity Test and the Autocorrelation Test. If the test results pass, it can be continued to the next stage for the

MRA test. The findings of the Classic Assumptions are as follows:

Multicollinearity Test

A multicollinearity test refers to a test of assumptions to prove that the free-\ variables in a model do not correlate with each other. If the VIF is more than 10, this variable and associated independent variables are multicollinear. The multicollinearity test results were included below:

Table 3: Multicollinearity Test results

Model	olerance	VIF	Information
Model 1			
Labor	.222	4.503	No multicol
Fiscal Decentralization	.146	6.830	symptoms occur
Local Revenue (PAD)	.192	5.218	
Regional Economy Growth	.554	1.804	
Model 2			
Labor	.249	4.015	No multicol
Fiscal Decentralization	.147	6.823	symptoms occur
Local Revenue (PAD)	.195	5.119	

Source: Processed of research result 2022

Based on multicollinearity test results, Model 1 and Model 2 have a Tolerance value greater than 0.10 and a VIF value less than 10, indicating that such a regression model may not display multicollinearity.

Autocorrelation Test

Autocorrelation appears due to observations that are sequential all the time and are related to each other. To test the presence of autocorrelation can be detected with the Durbin-Watson test. If this is durbin-Watson statistics located between Du and 4-DU then it is stated that there is no auto correlation, the results of this test are obtained:

Table 4: Autocorrelation Test results

Model	Durbin-Watson	DU	4-DU	
1	1.878	1.7200	2.28	No Autocorrelation Symptoms Occur
2	1.700	1.6662	2.3338	No Autocorrelation Symptoms Occur

Source: Processed of research result 2022

Based on the Model 1 in Table 4, autocorrelation test results, a DW value of

1,878, was obtained, which is located in the du value of 1.7200 and 4-DU of 2.28. As a result, the regression model may not feature Autocorrelation. Meanwhile, the Model 2 Autocorrelation test results obtained a DW value of 1,700, which is located in the du value of 1.6662 and 4-DU of 2.3338. As a result, this regression model lacks Autocorrelation.

Hypothesis Test

The regression analysis employed in this study is a simple multiple linear regression utilizing medium regression analysis (MRA). MRA is a subset of multiple linear regression in which the regression equation includes one interactive element (the multiplication of at least two free variables). This analysis aims to ascertain the effect of independent variables on dependents and whether moderation variables can adjust the impact of independent variables on dependents. The calculation results are:

Table 5: Normality Test

One-Sample Kolmogorov-Smirnov Test

		Residual Model 1	Residual Model 2
N		45	45
Normal Parameters[a,b]	Mean	.0000000	.0000000
	Std. Deviation	1.3206896	.8271867
Most Extreme Differences	Absolute	.104	.109
	Positive	.104	.109
	Negative	-.086	-.094
Test Statistic		.104	.109
Asymp. Sig. (2-tailed)		.200[c,d]	.200[c,d]

a. Test distribution is Normal.
b. Calculated from data.
c. Lilliefors Significance Correction.
d. This is a lower bound of the true significance

The first model may be recognized within all normally distributed data, according to the findings of the Normality test. This is because there is a significance value of 0.104, but also 0.200, both of which are more than 0.05. While the results of the Normality test carried out are known that the second model can be known on any data with a normal distribution, based on a significance value of 0.109, but also 0.200, both of which are more than 0.05.

The first model may be recognized within all normally distributed data, according to the findings of the Normality test. This is because there is a significance value of 0.104, but also 0.200, both of which are more than 0.05. While the results of the Normality test carried out are known that the second model can be known on any data with a normal distribution, based on a significance value of 0.109, but also 0.200, both of which are more than 0.05.

The heteroskedasticity testing's results show that the regression model of the 1st model and the 2nd model can be known under all data that heteroskedasticity does not occur in the regression model.

Table 6 showed the heteroskedacity test followed:

Table 6. Heteroskedasticity test

Model	t	Sig.	Information
Model 1 (Constant)	2.218	.032	No Heteros Occurs
Labor	1.020	.314	
Fiscal Decentralization	-1.186	.243	
Local Revenue	-.046	.964	
Regional Economic Growth	-.552	.584	
Model 2 Labor	.376	.709	No Heteros Occurs
Fiscal Decentralization	-2.455	.184	
Local Revenue	1.224	.228	

Source:

From the labor regression test, fiscal decentralization, and local revenue against human development index mediated regional economic growth regression equations as follows:

$$Y1 = \alpha + 0{,}449 + 0{,}006 + 0{,}415 + 0.974 + \varepsilon$$

$$Y2 = \alpha + 0.520 + (-0.062) + 0.234 + \varepsilon$$

The first hypothesis suspected that there is an influence between Labor on the Human Development Index. The significant value is less than 0.05, as shown by the outcomes of the T test, which is 0.005. At the value of t the calculation is more than t of the table (2.961> 1.67943). So it can be concluded that Labor has an influence on the Human Development Index.

The second hypothesis suspected that there is no influence between Fiscal Decentralization and the Human Development Index. According to the findings of the T test, the sig value is more than 0.05, which is 0.977. At the value of t the count is smaller than at t of the table (0.030 < 1.67943). So it can be concluded that Fiscal Decentralization has no influence on the Human Development Index.

In the third hypothesis, it is suspected that between PAD on the

Human Development Index, there is an influence. From the outcome of the T test carried out, the sig value is smaller than 0.05, which is 0.015. At the value of t the calculation is greater than in t of the table (2.540> 1.67943). So it can be concluded PAD has an influence on the Human Development Index.

In the fourth hypothesis suspected that there is no influence between Regional Economic Growth on the Human Development Index. The T test outcome revealed that the sig value was more than 0.05, which was 0.336. The t-count value is smaller than the t-table (0.974 < 1.67943). In conclusion, The Human Development Index is unaffected by Regional Economic Growth..

In the fifth hypothesis, it is suspected that the Labor has an influence on Regional Economic Growth. The findings of the T test revealed that the sig value was lower than 0.05, which was 0.031. The t-count value is more than the t-table (2.233>1.67943). In conclusion, Labor has an influence on Regional Economic Growth.

In the sixth hypothesis, it is suspected that Fiscal Decentralization has no influence on Regional Economic Growth. The outcomes of the T test revealed that the sig value was more than 0.05, which was 0.840. The t-count value is lower than the t-table (-0.203 < 1.67943). In conclusion, Fiscal Decentralization does not affect Regional Economic Growth.

In the seventh hypothesis in this study, it is suspected that there is no influence between Local Revenue on Regional Economic Growth. The results of the T test that were carried out revealed that the sig value was greater than 0.05, which was 0.378. The t-count value is lower than the t-table (-0.070 < 1.67943). So it can be concluded that Local Revenue has no influence on Regional Economic Growth.

In the eighth hypothesis, it is assumed that Regional Economic Growth is unable to mediate the relation between labor and the Human Development Index. The results of the T

test that were carried out proved that the sig value was more than 0.05, which was 0.943. The t-count value is lower than the t-table (0.070 < 1.67943). So Regional Economic Growth cannot mediate the influence of Labor on the Human Development Index.

The outcomes of the ninth hypothesis suspected that Regional Economic Growth is unable to mediate the relation between Fiscal Decentralization and the Human Development Index. The outcomes of the T test showed that the sig value was greater than 0.05, which was 0.943. The t-count value is lower than the t-table (0.070 < 1.67943). So Regional Economic Growth cannot mediate the effect of Fiscal Decentralization on the Human Development Index.

In the outcomes of the tenth hypothesis, it is assumed that Regional Economic Growth is unable to mediate the relationship between Local Revenue and the Human Development Index. The results of the T test that was carried out showed that the sig value was more than 0.05, which was 0.943. The t-count value is smaller than the t-table (0.070 < 1.67943). So Regional Economic Growth cannot mediate the influence of Local Revenue on the Human Development Index.

In the first hypothesis in this study, it is suspected that there is an influence between Labor on the Human Development Index. The findings of the T test carried out, found that the sig value is smaller than 0.05, which is 0.005. At the value of t the calculation is more than that t of the table (2.961> 1.67943). So, it can be concluded that Labor has an influence on the Human Development Index. The outcomes are also in line with the research of Izzah and Islamiatus Izzah & Martha Hendarti (2021), which shows that Labor variables have an influence on the Human Development Index.

In the second hypothesis, it is suspected that there is no influence between Fiscal Decentralization and the Human Development Index. The T test outcomes revealed that the sig value is more than 0.05, which is 0.977. At the value of t the count is smaller than at t

of the table (0.030 < 1.67943). So it can be concluded that Fiscal Decentralization has no influence on the Human Development Index. These results are also align with the research of Salma Nazikha & Rahmawati (2021) and Sinuraya (2020) which shows that the variable of Fiscal Decentralization has no influence on the Human Development Index.

In the third hypothesis, it is suspected that there is an influence between Local Revenue on the Human Development Index. The results of the T test carried out, it is revealed that the sig value is lower than 0.05, which is 0.015. At the value of t the calculation is more than in t of the table (2.540> 1.67943). In other words, Local Revenue has an influence on the Human Development Index. The outcomes of this study are also in line with the research of Dalil, Sukidin, & Hartanto (2020), which shows that the Local Revenue variable has an influence on the Human Development Index.

In the fourth hypothesis, it is suspected that Regional Economic Growth has no influence on the Human Development Index. The results of the T test that was carried out showed that the sig value was more than 0.05, which was 0.336. The t-count value is lower than the t-table (0.974 < 1.67943). So it can be concluded that Regional Economic Growth has no influence on the Human Development Index. The outcomes are also in line with the research of Mauludin & Dewi (2020) and Ningrum, et al., (2020) which show that the Regional Economic Growth variable has no effect on the Human Development Index.

In the fifth hypothesis, it is suspected that there is an influence between Labor on Regional Economic Growth. The T test result showed that the sig value was smaller than 0.05, which was 0.031. The t-count value is more than the t-table (2.233>1.67943). In conclusion, Labor has an influence on Regional Economic Growth. The outcomes are also in line with Menajang's research (2019), which shows that the Labor variable has an effect on Regional Economic Growth.

In the sixth hypothesis, it is suspected that there is no influence between the Fiscal Decentralization on the regional economic growth. From the T test result, researchers found that the sig value is more than 0.05,

which is 0.840. At the value of t the count is smaller than at t of the table (-0.203 < 1.67943). In conclusion, Fiscal Decentralization has no influence on Regional Economic Growth. The outcomes are also in line with research (Maharani & Sutrisno, 2021), which shows that the Fiscal Decentralization variable does not affect the Regional Economic Growth.

In the seventh hypothesis in this study, it is suspected that there is no influence between Local Revenue on Regional Economic Growth. The results of the T test that was carried out revealed that the sig value was greater than 0.05, which was 0.378. The t-count value is smaller than the t-table (-0.070 < 1.67943). So it can be concluded that Local Revenue has no influence on Regional Economic Growth. The outcomes are also in line with the research of.Utami & Indrajaya (2019), which reveals that the Local Revenue variable has no effect on Regional Economic Growth.

According to the findings of the eighth hypothesis, Regional Economic Growth is unable to mediate the link between Labor and the Human Development Index. The outcomes of the T test that was carried out revealed that the sig value was more than 0.05, which was 0.943. The t-count value is lower than the t-table (0.070 < 1.67943). So, Regional Economic Growth cannot mediate the influence of Labor on the Human Development Index. The outcomes are also in line with the research of AYU ALIKA, (2020) which shows that the Regional Economic Growth variable cannot mediate the influence of Labor on the Human Development Index..

According to the results of the ninth hypothesis, Regional Economic Growth is unable to mediate the relationship between Fiscal Decentralization and the Human Development Index. The findings of the T test that was carried out revealed that the sig value was more than 0.05, which was 0.943. The t-count value is lower than the t-table (0.070 < 1.67943). So that Regional Economic Growth cannot mediate the effect of Fiscal Decentralization on the Human Development Index. The outcomes are also in line with the research of AYU ALIKA (2020), which shows that the Regional Economic Growth variable cannot mediate the effect of Fiscal Decentralization on the Human Development Index.

According to the results of the tenth hypothesis, Regional Economic Growth is unable to mediate the connection between

Local Revenue and the Human Development Index.. The outcomes of the T test revealed that the sig value was more than 0.05, which was 0.943. The t-count value is smaller than the t-table (0.070 < 1.67943). So that Regional Economic Growth cannot mediate the influence of Local Revenue on the Human Development Index. These outcomes are also in line with AYU ALIKA (2020) which shows that the Regional Economic Growth variable cannot mediate the influence of Local Revenue on the Human Development Index.

CONCLUSION

This study concludes that the Labor variable has an influence on the Human Development Index, the Fiscal Decentralization variable has no effect on the Human Development Index, the Local Revenue variable has an influence on the Human Development Index, the Regional Economic Growth variable has no influence on the Human Development Index, the Labor variable has an influence on Regional Economic Growth, the variable Fiscal Decentralization has no effect on Regional Economic Growth, the Local Revenue variable has no influence on Regional Economic Growth, the Regional Economic Growth variable cannot mediate the influence of Labor on the Human Development Index, the Regional Economic Growth variable cannot mediate the effect of Fiscal Decentralization on the Human Development Index and Regional Economic Growth variables cannot mediate the effect of Local Revenue on the Human Development Index.

Suggestions from the outcomes of this research are 1) Future research is anticipated to include additional provinces as research samples. 2) Further research is expected to add research years other than 2017-2021. 3) Future research should be able to construct research proxies because one proxy may not necessarily represent labor, fiscal decentralization, and local revenue in order to develop research instruments by examining proxy variables from the human development

index mediated by regional economic growth.

REFERENCES

Abdullah, L. O., Christan, Y., Hartono, H., & Febryanti, R. (2021). *Identification of the Effectiveness of Regional Tax Factors on Original Income in Indonesia in 2016-2019*. https://doi.org/10.4108/eai.4-11-2020.2304555

Andriansyah, A., Nurwanda, A., & Rifai, B. (2021). Structural Change and Regional Economic Growth in Indonesia. *Bulletin of Indonesian Economic Studies*. https://doi.org/10.1080/00074918.2021.1914320

Appiah, M., Amoasi, R., & Idan Frowne, D. (2019). Human Development and Its Effects on Economic Growth and Development. *International Research Journal of Business Studies*. https://doi.org/10.21632/irjbs.12.2.101-109

Aristizábal, J. M., & García, G. A. (2021). Regional economic growth and convergence: The role of institutions and spillover effects in Colombia. *Regional Science Policy and Practice*. https://doi.org/10.1111/rsp3.12334

Ashfahany, A. El, Djuuna, R. F., & Rofiq, N. F. (2020). Does Fiscal Decentralization Increases Regional Income Inequality in Indonesia? *Jambura Equilibrium Journal*. https://doi.org/10.37479/jej.v2i2.6866

AYU ALIKA, N. (2020). *PENGARUH DESENTRALISASI FISKAL TERHADAP PERTUMBUHAN EKONOMI DENGAN INDEKS PEMBANGUNAN MANUSIA (IPM) SEBAGAI VARIABEL INTERVENING (Studi di Sumatera Bagian Selatan Tahun 2013-2018)*. UIN Raden Fatah Palembang.

Baharin, R., Syah Aji, R. H., Yussof, I., & Saukani, N. M. (2020). Impact of human resource investment on labor productivity in Indonesia. *Iranian Journal of Management Studies*. https://doi.org/10.22059/IJMS.2019.280284.673616

Bove, V., & Elia, L. (2017). Migration, Diversity, and Economic Growth. *World Development*. https://doi.org/10.1016/j.worlddev.2016.08.012

Croes, R., Ridderstaat, J., & Shapoval, V. (2020). Extending tourism competitiveness to human development. *Annals of Tourism Research*. https://doi.org/10.1016/j.annals.2019.102825

Dalil, A., Sukidin, S., & Hartanto, W. (2020). PENGARUH PENDAPATAN ASLI DAERAH, DANA ALOKASI UMUM, DAN DANA ALOKASI KHUSUS TERHADAP PENGALOKASIAN ANGGARAN BELANJA MODAL PADA KABUPATEN DAN KOTA DI PROVINSI JAWA TIMUR TAHUN 2013-2018. *JURNAL PENDIDIKAN EKONOMI: Jurnal Ilmiah Ilmu Pendidikan, Ilmu Ekonomi Dan Ilmu Sosial*. https://doi.org/10.19184/jpe.v14i1.12598

Dasic, B., Devic, Z., Denic, N., Zlatkovic, D., Ilic, I. D., Cao, Y., … Le, H. Van. (2020). Human development index in a context of human development: Review on the western Balkans countries. *Brain and Behavior*. https://doi.org/10.1002/brb3.1755

Dat, N. D., Hoang, N., Huyen, M. T., Huy, D. T. N., & Lan, L. M. (2020). Energy consumption and economic growth in Indonesia. *International Journal of*

Energy Economics and Policy. https://doi.org/10.32479/ijeep.10243

Digdowiseiso, K., Sugiyanto, E., & Setiawan, H. D. (2020). Fiscal decentralisation and inequality in Indonesia. *Economy of Region*. https://doi.org/10.17059/ekon.reg.2020-3-24

García-Tizón Larroca, S., Amor Valera, F., Ayuso Herrera, E., Cueto Hernandez, I., Cuñarro Lopez, Y., & De Leon-Luis, J. (2020). Human Development Index of the maternal country of origin and its relationship with maternal near miss: A systematic review of the literature. *BMC Pregnancy and Childbirth*. https://doi.org/10.1186/s12884-020-02901-3

Ginting, A. M., Hamzah, M. Z., & Sofilda, E. (2019). The impact of fiscal decentralization on economic growth in Indonesia. *Economic Journal of Emerging Markets*. https://doi.org/10.20885/ejem.vol11.iss2.art3

Halilintar, M. (2018). Cooperatives and economic growth in Indonesia. *European Research Studies Journal*. https://doi.org/10.35808/ersj/1027

Islamiatus Izzah, C., & Martha Hendarti, I. (2021). ANALISIS PENGARUH TENAGA KERJA, TINGKAT UPAH, DAN PDRB TERHADAP INDEKS PEMBANGUNAN MANUSIA (IPM) DI PROVINSI JAWA TENGAH. *OIKOS Jurnal Kajian Pendidikan Ekonomi Dan Ilmu Ekonomi*. https://doi.org/10.23969/oikos.v5i2.3392

Leon-Castro, E., Blanco-Mesa, F., Romero-Serrano, A. M., & Velázquez-Cazares, M. (2021). The ordered weighted average human development index. *Axioms*. https://doi.org/10.3390/axioms10020087

Lucia, U., & Grisolia, G. (2021). The gouy-stodola theorem—from irreversibility to sustainability—the thermodynamic human development index. *Sustainability (Switzerland)*. https://doi.org/10.3390/su13073995

Maharani, M., & Sutrisno, S. (2021). PENGARUH FLAVONOID EKSTRAK MAHKOTA DEWA (PHALERIA MACROCARPA) TERHADAP PENINGKATAN INDEKS APOPTOSIS PADA PERITONEAL MENCIT MODEL ENDOMETRIOSIS. *Jurnal Kebidanan Malahayati*. https://doi.org/10.33024/jkm.v7i4.4606

Mauludin, W., & Dewi, R. M. (2020). Rasio Kemandirian Keuangan Daerah dan Pertumbuhan Ekonomi terhadap Indeks Pembangunan Manusia di Provinsi Banten. *Jurnal Pendidikan Ekonomi (JUPE)*. https://doi.org/10.26740/jupe.v8n3.p116-121

Menajang, H. (2019). PENGARUH INVESTASI DAN TENAGA KERJA TERHADAP PERTUMBUHAN EKONOMI KOTA MANADO. *JURNAL PEMBANGUNAN EKONOMI DAN KEUANGAN DAERAH*. https://doi.org/10.35794/jpekd.23425.16.4.2014

Nursini, N., & Tawakkal. (2019). Poverty alleviation in the contexof fiscal decentralization in Indonesia. *Economics and Sociology*. https://doi.org/10.14254/2071-789X.2019/12-1/16

Oliveira, H., & Moutinho, V. (2021). Renewable energy, economic growth and economic development nexus: A bibliometric analysis. *Energies*. https://doi.org/10.3390/en14154578

Otero, I., Farrell, K. N., Pueyo, S., Kallis, G., Kehoe, L., Haberl, H., … Pe'er, G. (2020). Biodiversity policy beyond

economic growth. *Conservation Letters*. https://doi.org/10.1111/conl.12713

Pal, S., & Wahhaj, Z. (2017). Fiscal decentralisation, local institutions and public good provision: evidence from Indonesia. *Journal of Comparative Economics*. https://doi.org/10.1016/j.jce.2016.07.004

Peterson, E. W. F. (2017). The role of population in economic growth. *SAGE Open*. https://doi.org/10.1177/2158244017736094

Raikes, J., Smith, T. F., Baldwin, C., & Henstra, D. (2021). Linking disaster risk reduction and human development. *Climate Risk Management*. https://doi.org/10.1016/j.crm.2021.100291

Rama, A., & Yusuf, B. (2019). Construction of Islamic human development index. *Journal of King Abdulaziz University, Islamic Economics*. https://doi.org/10.4197/Islec.32-1.3

Ranita, S. V. (2020). Leisure as an Inferior Goods For Labor in Indonesia. *Jurnal Ekonomi Keuangan Dan Perenanaan Indonesia*.

Resce, G. (2021). Wealth-adjusted Human Development Index. *Journal of Cleaner Production*. https://doi.org/10.1016/j.jclepro.2021.128587

Ryan, R. M., & McCarthy, F. P. (2019). Induction of labour. *Obstetrics, Gynaecology and Reproductive Medicine*. https://doi.org/10.1016/j.ogrm.2019.09.004

Salma Nazikha, R., & Rahmawati, F. (2021). Pengaruh desentralisasi fiskal, kapasitas fiskal daerah, dan elastisitas fiskal terhadap pertumbuhan inklusif Indonesia. *Jurnal Ekonomi, Bisnis Dan Pendidikan*. https://doi.org/10.17977/um066v1i22021p120-134

Siburian, M. E. (2020). Fiscal decentralization and regional income inequality: evidence from Indonesia. *Applied Economics Letters*. https://doi.org/10.1080/13504851.2019.1683139

Sirojuzilam, Turnip, E. B. A., & Saputra, J. (2020). Supply chain strategy for implementing fiscal decentralization and its effect on regional performance in North Sumatera province, Indonesia. *International Journal of Supply Chain Management*.

Strohmeier, S. (2020). Digital human resource management: A conceptual clarification. *German Journal of Human Resource Management*. https://doi.org/10.1177/2397002220921131

Suryadi, Syarief, E., Suwadji, Y. T., & Kurniawati, A. (2021). Determinants of Youth Labour Absorption in Indonesia. *International Journal of Innovation, Creativity and Change*. https://doi.org/10.53333/ijicc2013/15817

Utami, D. N., & Indrajaya, I. G. B. (2019). Pengaruh PAD Dan Belanja Modal Terhadap Pertumbuhan Ekonomi Dan Kesejahteraan Masyarakat Di Provinsi Bali. *E-Jurnal EP Unud*, *8*(10), 2195–2225.

Waheed, R., Sarwar, S., & Wei, C. (2019). The survey of economic growth, energy consumption and carbon emission. *Energy Reports*. https://doi.org/10.1016/j.egyr.2019.07.006

Wibowo, H. (2018). MEASURING FISCAL DECENTRALISATION IN INDONESIA. *Journal Ecopreneur*.

Yumashev, A., Ślusarczyk, B., Kondrashev, S., & Mikhaylov, A. (2020). Global

indicators of sustainable development: Evaluation of the influence of the human development index on consumption and quality of energy. *Energies*. https://doi.org/10.3390/en13112768