

**DETERMINANT OF HUMAN DEVELOPMENT
INDEX IN JAVA ISLAND 2014-2022**



THESIS

**SUBMITTED TO THE FACULTY OF ISLAMIC ECONOMICS
AND BUSINESS STATE ISLAMIC UNIVERSITY SUNAN
KALIJAGA YOGYAKARTA
AS ONE OF THE REQUIREMENTS FOR THE BACHELOR'S
DEGREE OF SHARIA ECONOMICS**

BY:

IZMIL NAJDA MAFAZA

21108010046

THESIS ADVISOR:

MUH RUDI NUGROHO, SE., M.Sc.

NIP. 19820219 201503 1 002

**DEPARTEMENT OF SHARIA ECONOMICS
FACULTY ISLAMIC ECONOMICS AND BUSINESS
STATE ISLAMIC UNIVERSITY OF SUNAN KALIJAGA
YOGYAKARTA**

2025

RATIFICATION SHEET



KEMENTERIAN AGAMA
UNIVERSITAS ISLAM NEGERI SUNAN KALIJAGA
FAKULTAS EKONOMI DAN BISNIS ISLAM

Jl. Marsda Adisucipto Telp. (0274) 550821, 512474 Fax. (0274) 586117 Yogyakarta 55281

PENGESAHAN TUGAS AKHIR

Nomor : B-179/Un.02/DEB/PP.00.9/01/2025

Tugas Akhir dengan judul : DETERMINANT OF HUMAN DEVELOPMENT INDEX IN JAVA ISLAND
2014-2022

yang dipersiapkan dan disusun oleh:

Nama : IZMIL NAJIDA MAFAZA
Nomor Induk Mahasiswa : 21108010046
Telah diujikan pada : Karnis, 16 Januari 2025
Nilai ujian Tugas Akhir : A

dinyatakan telah diterima oleh Fakultas Ekonomi dan Bisnis Islam UIN Sunan Kalijaga Yogyakarta

TIM UJIAN TUGAS AKHIR



Ketua Sidang

Mift. Rudi Nugroho, S.E., M.Sc.
SIGNED

Valid ID: 676338763471



Penguji I

Dr. Abdul Qoyum, S.E.I., M.Sc.Fin.
SIGNED

Valid ID: 676197437745



Penguji II

Anggari Marya Kresnowati, S.E. M.E.
SIGNED

Valid ID: 67921a011168



Yogyakarta, 16 Januari 2025
UIN Sunan Kalijaga

Dekan Fakultas Ekonomi dan Bisnis Islam

Prof. Dr. Misnen Ardiansyah, S.E., M.Si., Ak., CA., ACPA.
SIGNED

Valid ID: 676ab0752ab5

THESIS APPROVAL LETTER



MINISTRY OF RELIGION
SUNAN KALIJAGA STATE ISLAMIC UNIVERSITY
FACULTY OF ISLAMIC ECONOMICS AND BUSINESS
Jl. Marsda Adisucipto Tel. (0274) 515856 Yogyakarta 55281

THESIS APPROVAL LETTER

To:
Dear Dean of the Faculty of Islamic Economics and Business
UIN Sunan Kalijaga Yogyakarta
In Yogyakarta

Assalamualaikum wr.wb.

After reading, researching, providing clues and correcting and making corrections as necessary, I as a supervisor am of the opinion that your thesis:

Name : Izmil Najda Mafaza
NIM : 21108010046
Thesis Title : Determinant of Human Development Index in Java Island 2014-2022

It can be submitted to the Faculty of Islamic Economics and Business, Department/Sharia Economics Study Program, UIN Sunan Kalijaga Yogyakarta as one of the requirements to obtain a Bachelor of Science degree in the field of Islamic economics.

With this, I hope that the thesis mentioned above can be submitted soon. I thank you for your attention.

Yogyakarta, 6 Januari 2025

Acknowledged,
Supervisor Head of Program Study

Muh Rudi Nugroho, S.E., M.Sc
19820219 201503 1 002

Dr. Miftakhul Choiri, S.Sos., M.S.I.
19820219 201503 1 002

STATEMENT OF AUTHENTICITY OF THESIS

The undersigned:

Name : Izmil Najda Mafaza
NIM : 21108010046
Program Studi : Sharia Economics
Faculty : Islamic Economics and Business

I declare truthfully, that my thesis entitled: Determinant of Human Development Index in Java Island 2014-2022 is a personal work and as far as the author's knowledge does not contain material published or written by others, except for certain parts that the author takes as a reference.

If it is proven that this statement is not true, then it is entirely the responsibility of the compiler.

Yogyakarta, 6 Januari 2025

Which states,



Izmil Najda Mafaza
21108010046

STATE ISLAMIC UNIVERSITY
SUNAN KALIJAGA
YOGYAKARTA

PUBLICATION APPROVAL SHEET



MINISTRY OF RELIGION
SUNAN KALIJAGA STATE ISLAMIC UNIVERSITY
FACULTY OF ISLAMIC ECONOMICS AND BUSINESS
Jl. Marsda Adisucipto Tel. (0274) 515856 Fax. (0274) 586117 Yogyakarta 55281

PUBLICATION CONSENT SHEET

As one of the civitas academic of UIN Sunan Kalijaga Yogyakarta, I am the undersigned:

Name : Izmil Najda Mafaza
Student Number : 21108010046
Program Studi : Sharia Economics
Fakultas : Islamic Economic and Business
Type of Work : Thesis

For the sake of scientific development, I agree to grant UIN Sunan Kalijaga Yogyakarta Non-Exclusive Royalty-Free Rights for my scientific work entitled:

"Determinant of Human Development Index in Java Island 2014-2022"

Along with existing devices (if needed). With this Non-Exclusive Royalty-Free Right, UIN Sunan Kalijaga Yogyakarta has the right to store, transfer/format, manage in the form of a database, maintain and publish my final project as long as I still include my name as the author/creator and as the owner of the CPTA rights.

Thus I made this statement in truth.

Made in Yogyakarta

On date: January 14th 2024

Undersigned,

Izmil Naida Mafaza

21108010046

STATE ISLAMIC UNIVERSITY
SUNAN KALIJAGA
YOGYAKARTA

MOTTO

“Do not be afraid, I am with you!”

-Quran 20:46

“You haven't really tried until you've succeeded”

-Unknown

“That it matter not what someone is born, but what they grow to
be”

-Albus Dumbledore



STATE ISLAMIC UNIVERSITY
SUNAN KALIJAGA
YOGYAKARTA

ACKNOWLEDGMENT SHEET

This thesis is lovingly dedicated to my beloved parents, Abi and
Ummi

Mr. Yunizel and Mrs. Sri Imelda

For your endless love, patience, and sacrifices. Every step I take
and every milestone I achieve is a testament to your dedication
and prayers. This work is as much yours as it is mine.

With all my heart, thank you.



PREFACE

In the name of Allah, the Most Gracious, the Most Merciful, all praise is due to Allah SWT, through whose blessings and guidance this thesis, titled “Determinants of Human Development Index in Java Island 2014–2022”, has been successfully completed. May peace and blessings be upon our Prophet Muhammad SAW, his family, and his companions.

With profound gratitude to Allah SWT and the support of many parties, this thesis has come to fruition. Therefore, it is only fitting for the author to express sincere appreciation and heartfelt thanks to:

1. Both of my parents, Ummi and Abi, have been the guiding light in every step of my journey. Thank you for your unwavering prayers, sincere support, and irreplaceable love. Who always provides encouragement and motivation to overcome every obstacle and challenge in life.
2. Izmil Family, *Baba* Opal, Dipa Tayo, *Abang* Fahim and *Adek* Fathir, for all their endless prayers and love.
3. Prof. Noorhaidi Hasan, S.Ag., M.A., M.Phil., Ph.D. as the Rector of Sunan Kalijaga Yogyakarta State Islamic University
4. Prof. Dr. Misnen Ardiansyah, S.E., M.Si., Ak., CA., ACPA. As the Dean of Faculty of Islamic Economics and Business Sunan Kalijaga Yogyakarta State Islamic University
5. Dr. Miftakhul Choiri, S.Sos.I., M.S.I. as Head of the Sharia Economics Study Program, Faculty of Islamic Economic and Business, Sunan Kalijaga Yogyakarta State Islamic University
6. Mr. Muh Rudi Nugroho, S.E., M.Sc. as Thesis Supervisor who is always patient and sincere in every directing and

guiding the author from the really first word to the last dot of writing this thesis

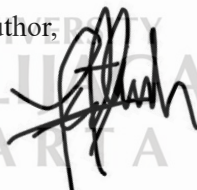
7. Mr. Dr. Abdul Qoyyum, S.E.I., M.Sc.,Fin., as Lecturer Academic Advisor who has guided during the lecture process
8. All Lectures of the Faculty of Islamic Economics and Business, Sunan Kalijaga Yogyakarta State Islamic University who always provide knowledge and experience to the author during the lecturer process.
9. All employees and administrative staff of the Faculty of Islamic Economics and Business, Sunan Kalijaga Yogyakarta State Islamic University.
10. Se-Frikuensi, Fida, Izza, Mirda, Isfi, Nabil, Zein, Deny, Hatta and Reval, My dearest friends, who are always by my side throughout this journey, through all the laughter and tears. I hope that we can always stay close, rooted in our friendship, and find a way to be together again in the best situations.
11. My very best sister, friend and love, Pamela Aisya Feliatra. Who has always supported me from the first day of high school until now. Who always gives her best laugh. May Allah bless all her kindness and grant that we keep on growing together.
12. Riau Student Association (HIMARI) State Islamic University Sunan Kalijaga Yogyakarta, Deryan Febriyandy, Muhammad Arif Fahmi and all the members of HIMARI that cannot be mentioned.
13. Group 21 KKN 114 Banyunganti Lor, Alpina, Riska, Jihan, Lufy, Helmi, Abror, Tedy, and Aab for the opportunity to engage in meaningful discourse and the invaluable life lessons imparted.
14. Well done team, who have been accompanied during the student exchange in malaysia, for all the tears and laughter while abroad and completing all the tasks together.

15. Alam and Sabina for invaluable assistance and motivation in writing this work.
16. Friends in the Sharia Economics study program, especially Sharia Economics 2021, HMPS ES 2023, DEMA FEBI 2022 and all the committee friends who have been involved and wonderful people that have been met.
17. All parties who cannot be mentioned one by one, who have helped and contributed to complete this thesis.
18. Last but not least, I want to thank me for believing in me. I want to thank me for all doing this hard work. I want to thank me for having no days off. I want to thank me for never quitting. I want to thank me for just being me all the time.

I realize that no human work is perfect. This includes the writing of this thesis, which undoubtedly has many shortcomings due to my limited abilities and knowledge. Therefore, I gladly welcome criticism and suggestions from readers to achieve better results. I hope this thesis can provide benefits to its readers.

Yogyakarta, January 2th 2025

Author,



Izmil Najda Mafaza
NIM. 21108010046

TABLE OF CONTENT

RATIFICATION SHEET	ii
THESIS APPROVAL LETTER.....	iii
STATEMENT OF AUTHENTICITY OF THESIS	iv
PUBLICATION APPROVAL SHEET	v
MOTTO.....	v
ACKNOWLEDGMENT SHEET	vii
PREFACE	viii
TABLE OF CONTENT	xi
TABLE LIST	xiii
FIGURE LIST	xiv
APPENDIX LIST	xv
ABSTRACT	xvi
CHAPTER I INTRODUCTION.....	1
A. Background.....	1
B. Research Questions.....	7
C. Research Objective.....	8
D. Research Contributions.....	8
E. The Outline.....	9
CHAPTER II THEORITICAL FRAMEWORK.....	11
A. Theoretical Base.....	11
B. Literature Review.....	19
C. Hypothesis Development.....	42
D. Conceptual Framework.....	44
CHAPTER III RESEARCH METODOLOGY	45
A. Type of Research	45
B. Data Types and Sources.....	45
C. Variable Operational Definition.....	46
D. Analysis Methods	47

CHAPTER IV RESULT AND DISCUSSION	59
A. Research Data Analysis	59
B. Model Selection Test	64
C. Hypothesis Test Result	71
D. Discussion.....	74
CHAPTER V CONCLUSION	88
A. Conclusion.....	88
B. Recommendation.....	90
REFERENCE	91
APPENDIX	97
CURRICULUM VITAE	105



TABLE LIST

Table 2. 1 Literature Review	21
Table 4. 1 HDI Average in Java Island 2014-2022.....	59
Table 4. 2 Government Expenditure on Education Average in Java Island 2014-2022.....	60
Table 4. 3 Government Expenditure on Health Average in Java Island 2014-2022.....	61
Table 4. 4 Gross Regional Domestic Product Average in Java Island 2014-2022.....	62
Table 4. 5 Sharia bank financing average in java island 2014- 2022.....	63
Table 4. 6 Descriptive Analysis.....	64
Table 4. 7 Chow Test Analysis.....	66
Table 4. 8 Hausman Test Analysis.....	67
Table 4. 9 Normality Test.....	67
Table 4. 10 Multicollinearity Test.....	68
Table 4. 11 Heteroskedasticity Test.....	68
Table 4. 12 Autocorelation Test.....	69
Table 4. 13 Heteroskedasticity test.....	70
Table 4. 14 Autocorelation Test.....	70
Table 4. 15 Partial Test.....	71
Table 4. 16 Simultaneous Test.....	73
Table 4. 17 Coefficient Determination Test R2.....	74

FIGURE LIST

Figure 1. 1 Government Expenditure on Education in Java Island From 2014 to 2022	3
Figure 1. 2 Islamic Bank Financing in Java Island From 2014 to 2022.....	5
Figure 2. 1 Conceptual Framework.....	44



APPENDIX LIST

Appendix 1 Data.....	97
Appendix 2 CEM Test Result.....	99
Appendix 3 FEM Test Result	100
Appendix 4 REM Test Result.....	101
Appendix 5 Chow Test Result.....	102
Appendix 6 Hausman Test Result	103



ABSTRACT

This study investigates the determinants of the Human Development Index (HDI) in Java Island from 2014 to 2022, emphasizing the roles of government expenditures on education, government expenditures on health, gross regional domestic product (GRDP) and Islamic bank financing. Employing a quantitative approach with panel data regression analysis, the research analyzes data from six provinces in Java: DKI Jakarta, West Java, Central Java, DI Yogyakarta, East Java, and Banten. The findings indicate that government expenditure on education, Islamic bank financing, and GRDP have a significant positive impact on HDI. Education expenditure is shown to enhance access to quality infrastructure, better-trained teachers, and improved learning resources, which collectively contribute to a skilled and productive workforce. Islamic bank financing supports inclusive economic development by fostering productive investments and equitable wealth distribution. GRDP, as a reflection of regional economic growth, demonstrates its importance in raising income levels and improving living standards. Government expenditure on health exhibits a positive but insignificant effect on HDI.

Keywords: Government Expenditure, Health, Education, GRDP, Islamic Bank Financing, Java Island.

STATE ISLAMIC UNIVERSITY
SUNAN KALIJAGA
YOGYAKARTA

CHAPTER I

INTRODUCTION

A. Background

In the era of globalization human development is one of the important factors in determining the level of welfare of a country (Barus et al., 2021). One of the indicators often used to measure the quality of human development is the human development index (HDI). The human development index is an aggregate measure of overall progress in key aspects of human development, focusing on three main areas: life expectancy (health), expected years of schooling (education), and purchasing power parity (standard of living). It is calculated as the geometric mean of the normalized scores from each of these dimensions. The HDI was developed to highlight that the true measure of a country's development should be based on the well-being and potential of its people, rather than solely on economic growth (UNDP, 2024).

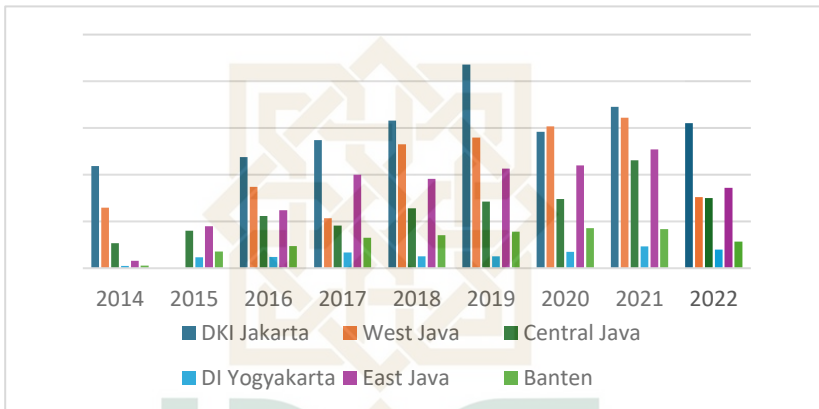
In Indonesia, Java Island dominates human and economic growth activities. The group of provinces on the island of Java significantly influenced the spatial structure of Indonesia's economy, contributing 57.89 percent to the national economy and achieving an economic growth rate of 3.66 percent in 2021 (BPS, 2022). DKI Jakarta had the highest HDI on Java Island, with an average of 81.15% it is

because Jakarta is the center of economic activity, growth and government activity in Indonesia. A higher Human Development Index (HDI) indicates greater achievements in human development for a country or region. Human Development Index (HDI) outcomes in a region can be classified into four levels: Low (HDI below 60), Medium (HDI between 60 and 70), High (HDI ranging from 70 to 80), and Very High (HDI 80 or above). This composite index evaluates human development across three fundamental dimensions: life expectancy and health, education and knowledge, as well as economic living standards (BPS, 2023).

In the development of quality human resources, education is the main foundation. According to Riana and Khafid (2022) in strengthening the Human growth Index (HDI), government expenditure on education plays a crucial role by providing access to quality education, supporting the growth of knowledge and skills, and eventually improving overall human development. Article 31, paragraph (4) of the 1945 Constitution, amended in 2009, mandates that the state must prioritize allocating at least 20% of the national and local budgets for education to ensure the fulfillment of national education needs. Minister of Finance Sri Mulyani stated that the budget allocation in the 2024 state budget for the education sector reached IDR 665.0 trillion or 20%

budget from *APBN*. Consists of central government expenditure of IDR 241.5 trillion, transfers to Regions IDR 346.6 trillion, financing of IDR 77.0 trillion.

Figure 1. 1 Government Expenditure on Education in Java Island From 2014 to 2022



Source: Kemenkeu (2023)

Based on Figure 1, The Special Region of Yogyakarta has the lowest education expenditure among the provinces on Java Island. The structure and content of *APBD* are designed to align with the administrative needs of the government and the projected regional revenue within a single fiscal year (Angi et al., 2022). Article 49, paragraph 1 of Law No. 20 of 2003 on the National Education System specifies that education funding, excluding educator salaries and official education expenses, must devote at least 20% of the State Budget (*APBN*) and a minimum of 20% of the Regional Budget to the education sector.

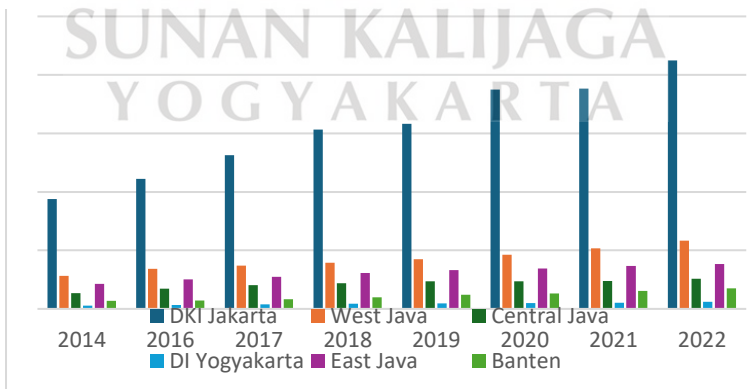
In addition to government expenditures on education, government expenditure in health services also contribute to an improvement in the Human Development Index (Maryozi et al., 2022). According to law no. 36 of 2009 concerning health, article 171 regulates the allocation of expenditure in the health sector, The government allocates a minimum of 5% of the State Budget (APBN) for health, while provincial and district/city governments dedicate at least 10% of their Regional Budget (APBD) to the health sector. Government spending in the health sector is an effective means of enhancing the quality and quantity of public health, which subsequently raises the Human Development Index (HDI), particularly by increasing life expectancy. A good level of health allows individuals to pursue higher education, while healthy people have the potential to be more productive at work (Damayanti & Suryaningrum, 2023).

Meanwhile, Gross Regional Domestic Product (GRDP) is anticipated to represent a region's economic growth, which subsequently influences the quality of life within the community. Gross Regional Domestic Product (GRDP) serves as a key indicator of the gross income levels within a province. A strong Gross Regional Domestic Product (GRDP) can significantly influence consumer spending habits, thereby effectively meeting their needs. Importantly, individuals' purchasing power, which is closely linked to

their ability to consume, is intricately connected to the Human Development Index (HDI). This relationship exists because purchasing power, as a measure of income, is a key indicator within the Human Development Index (HDI) framework (Al Fian & Bintoro, 2024).

As a measure of development success, human development relies on a combination of economic, social, and governmental factors (Wardani & Al Arif, 2021). Economic growth serves as the foundation for raising living standards. In this context, Islamic banking plays a crucial role by providing financing aimed at improving economic welfare, particularly by fostering the growth of productive sectors. This financing is expected to enhance community well-being by supporting sustainable and inclusive economic development through Sharia-compliant principles.

Figure 1. 22 Islamic Bank Financing in Java Island From 2014 to 2022



Source :Otoritas Jasa Keuangan (2024)

According to Junaidi (2024) Islamic banks' financial development plays a significant role in increasing community wealth and reducing poverty through their intermediation role. By providing Sharia-compliant financing, Islamic banks support productive investments and entrepreneurship, while avoiding interest-based lending and speculation. This ethical financial model encourages inclusive economic growth and equitable wealth distribution, helping to alleviate poverty and improve living standards.

Indonesia has adopted a dual banking system (Wardani & Al Arif, 2021), which integrates both conventional and Islamic banking. This system allows for the coexistence of traditional banking practices alongside Sharia-compliant banking, offering consumers a choice between interest-based services and those that adhere to Islamic principles, such as profit-sharing and ethical investment. The prohibition of interest rates and certain activities in Islam, along with the avoidance of speculation (*maysir*) and uncertainty in contracts, objects, and outcomes (*gharar*), and the promotion of justice, are seen as key principles for addressing income and wealth inequality (Novreska & Arundina, 2024).

To adequately discuss economic growth, it is crucial to consider the dimensions of human development, particularly within the framework of regional economies. The presence of quality human capital is widely regarded as a key factor that enhances economic performance. High levels of education, health, and skills among the workforce contribute significantly to productivity, innovation, and overall economic resilience (Hasan 2015). Based on the background of this research, the author wishes to identify the factors that influence the human development index in the island of Java by examining government expenditure on education, government expenditure on health, Islamic bank financing, and gross regional domestic product. For this reason, the author's research title is "**Determinant of Human Development Index in Java Island 2014-2022**".

B. Research Questions

Based on the previous background, this research raises the following questions:

1. How does government expenditure on education effect human development index?
2. How does government expenditure on health effect human development index?

3. How does gross regional domestic product effect human development index?
4. How does Islamic bank financing effect human development index?

C. Research Objective

1. To analyze the effect of government expenditure on education on human development index in java island 2014-2022.
2. To analyze the effect of government expenditure on health on human development index in java island 2014-2022.
3. To analyze the effect of GRDP on human development index in java island 2014-2022.
4. To analyze the effect of Islamic bank financing on human development index in java island 2014-2022.

D. Research Contributions

1. For local government

This research can serve as a reference for local governments in shaping more effective policies and management strategies. The findings, particularly the factors that contribute to improving the Human Development Index (HDI), can be applied to enhance HDI in other regions.

2. For author

This study aims to deepen the author's understanding of the relationship between government spending on education, government spending on health, Islamic bank financing, and Gross Regional Domestic Product (GRDP) with the Human Development Index (HDI).

3. For future research

The results of this study are expected to serve as a reference for future research on themes related to the Human Development Index (HDI) in Java Island, incorporating further updates and developments.

E. The Outline

This research is structured into five interconnected chapters, designed to provide a systematic understanding of the influence of government expenditure on education, government expenditure on health, gross regional domestic product (GRDP) and , Islamic bank financing on the human development index (HDI). Each chapter has a specific focus and plays a critical role in supporting the overall analysis, outlined as follows::

Chapter I Introduction. In this introduction consist of the background, problem formulation, research objectives, research contributions, and the writing structure. It provides

an explanation of the phenomena and issues to be addressed in the study, supported by relevant data, theories, and previous research.

Chapter II Literature Review. In this chapter will be discussed about concepts and definitions of the variables used in this study. In addition, hypothesis development will be carried out hypothesis and depiction of the framework.

Chapter III Research Methodology. This chapter will explain the type of research, data sources, and analysis techniques used in processing research data used in processing research data.

Chapter IV Result and Discussion. This chapter will discuss the results of data processing and answer the questions in the research question.

Chapter V Conclusions. In this chapter will discuss conclusions and suggestions for interested parties.

CHAPTER V CONCLUSION

A. Conclusion

This study examines the impact of government expenditure on education, government expenditure on health, Islamic bank financing, and GRDP on the human development index on Java Island between 2014 to 2022. The analysis employs panel data regression with the fixed effect model as the estimator. Based on the analysis results presented earlier, the following conclusions can be drawn.

1. Government spending on education has a positive and significant influence on the Human Development Index (HDI) in Java Island in 2014-2022. Every 1% increase in education expenditure increases HDI by 0.002642%. This indicates that investment in education directly contributes to an increase in the human development index. This indicates that increased allocation of education budgets contributes to better access and quality of education, thereby improving the quality of human resources in Java Island. The increase in educational attainment supported by sufficient funding enhances individual skills and workforce productivity, which are essential for achieving higher levels of human development.

2. Government spending on health has a positive but insignificant effect on HDI. This insignificance is due to suboptimal health infrastructure, poor service quality, and inadequate medical personnel. Nevertheless, increasing health spending remains relevant to support human development. This is consistent with Ardini and Sitorus (2023), who found similar results in other regions.
3. Islamic bank financing has a positive and significant influence on HDI. This financing supports the improvement of community economic activities, such as the production of goods and services, which in turn improves the economic and religious welfare of the community. The sharia-based approach provides comfort because it is free from usury and in accordance with maqashid sharia.
4. GRDP has a positive and significant effect on HDI. An increase in GRDP reflects high economic growth and the ability of the region to improve community welfare through greater consumption and investment. GRDP also shows the capacity of the regional economy to provide basic services that support human development. Increased GRDP reflects economic growth that drives improved quality of life through job creation, income growth, and better access to basic services. Higher GRDP levels enable governments to invest more in

public services, further enhancing human development outcomes across the region

B. Recommendation

1. Future research could explore other factors that may affect HDI, such as urbanization rate, poverty rate and unemployment.
2. Future research can compare the effectiveness of Islamic and conventional financing on HDI, by considering indicators such as social and economic impacts on society.
3. There are significant disparities in HDI, government spending, and Islamic financing among provinces in Java. Future research can focus on regional studies to assess the effectiveness of development policies in provinces with low HDI, Analyze barriers to equitable development.

REFERENCE

- Al Fian, M. I. N., & Bintoro, N. S. (2024). *The Effect Of Government Expenditure On Education, Health Sector, And Gross Regional Domestic Product On Human Development Index*. 3(2), 367–379.
- Ananda, I. A., Sukmawati, U. S., & Kidrian, E. (2021). Pengaruh pengeluaran pemerintah bidang pendidikan Dan kesehatan terhadap Indeks pembangunan Manusia (Ipm) pada kawasan perbatasan negara Provinsi Kalimantan Barat 2010-2019. *Cross-Border*, 4(2), 49. <http://journal.iaisambas.ac.id/index.php/Cross-Border/article/view/910>
- Anantika, D. A., & Sasana, H. (2020). Analisis Pengaruh Pengeluaran Pemerintah Sektor Pendidikan, Kesehatan, Korupsi, Dan Pertumbuhan Ekonomi Terhadap Indeks Pembangunan Manusia Di Negara Apec. *Diponegoro Journal Of Economics*, 9(3), 167–178. <http://ejournal-s1.undip.ac.id/index.php/jme>
- Angi, Y. F., Dethan, M. A., & Tiwu, , Maria Indriyani H. (2022). The Influence of Local Government Financial Factors on the 2021 Budget Forecast Error: Studies on Local Governments in Indonesia. *Kontigensi : Jurnal Ilmiah Manajemen*, 10(2), 333–340. <https://doi.org/10.56457/jimk.v10i2.294>
- Ardini, D. R., & Sitorus, A. (2023). The Influence of Regional Minimum Wages, Poor Population, Education Expenditures, and Health Expenditures on the Human Development Index in North Sumatra Province 2015-2021. *Management, Business and Accounting*, 1(1), 193–198. <https://proceeding-bicemba.feb.unib.ac.id/index.php/bicemba>
- Barus, E. N., Tarmizi, H., & . R. (2021). Analysis of Factors Affecting Human Development Index in the City of Binjai.

International Journal of Research and Review, 8(4), 161–170. <https://doi.org/10.52403/ijrr.20210422>

BPS. (2015). *Booklet Indeks Pembangunan Manusia Metode Baru*.

BPS. (2022). *Pertumbuhan ekonomi Indonesia 2021*. <https://www.bps.go.id/en/pressrelease/2022/02/07/1911/indonesia-gdp-annual-growth-rate-5-02-percent--y-on-y-.html>

BPS. (2023). *Indeks Pembangunan Manusia (IPM) dan Komponennya (Indeks), 2021-2023*. <https://waropenkab.bps.go.id/id/statistics-table/2/NjIjMg==/indeks-pembangunan-manusia-ipm-dan-komponennya.html>

Damayanti, A. P., & Suryaningrum, D. H. (2023). Pengaruh Pengeluaran Pemerintah Sektor Kesehatan Dan Pendidikan Terhadap Indeks Pembangunan Manusia (Ipm). *Jurnal Maneksi*, 12(3), 614–627. <https://doi.org/10.31959/jm.v12i3.1733>

Desmawan, D., & Syaifudin, R. (2020). Pengaruh Pengeluaran Pemerintah Sektor Kesehatan Dan Pendidikan Terhadap Kemiskinan Di Provinsi Lampung. *Jurnal Ekonomi-Qu*, 10(1), 117. <https://doi.org/10.35448/jequ.v10i1.8594>

Febrianti, I. D., & Aminda, R. S. (2021). Determination Of Economic Growth In Java Island. *International Journal Of Social Service And Research*, 1.

Handayani, S., & Woyanti, N. (2021). Pengaruh PDRB, Kemiskinan, Pengangguran, dan Belanja Modal Terhadap IPM DI 35 Kabupaten/Kota Jawa Tengah Tahun. *BISECER (Business Economic Entrepreneurship)*, 2(1), 33–46. <https://ejournal.undaris.ac.id/index.php/biceser/article/view/242/194>

- HASAN, N. A. (2015). *Pengaruh Produk Domestik Regional Bruto (Pdrb), Kemiskinan Dan Belanja Modal Terhadap Indeks Pembangunan Manusia (Ipm) Di Daerah Istimewa Yogyakarta Periode 2008-2014*. 1–203.
- Ichsan, R. M., & Woyanti, N. (2023). Analysis of the Effect of GRDP, Education Expenditure, Participation, and School Building on HDI in 2015-2019 (Case Study in West Java Province). *Www.Ijbmm.Com International Journal of Business Marketing and Management*, 8(1), 2456–4559. www.ijbmm.com
- 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*, V, 99–106. <https://doi.org/10.23969/oikos.v5i2.3392>
- Junaidi, J. (2024). Islamic banks' contribution to Indonesia districts' economic growth and poverty alleviation. *Journal of Economics, Finance and Administrative Science*. <https://doi.org/10.1108/JEFAS-06-2021-0097>
- Juwita, S. P. (2007). *Pengaruh Human Capital Terhadap Business*. 4(2), 1–11.
- Kartikasari. (2019). Perkembangan industri perbankan syariah di Indonesia. *Galang Tanjung*, 2504, 1–9.
- Kemenkeu, D. (2023). *Realisasi APBD Tahun 2016-2022*. www.djpk.depkeu.go.id
- Kuangan, O. jasa. (2024). *Statistik Perbankan Syariah*. <https://ojk.go.id/id/ojk-pedia/default.aspx>
- Kurrohman, T. (2020). Akad Pembiayaan Syariah Yang Sesuai Dengan Maqasid Syariah Dalam Perbankan Syariah. *Jurnal*

Surya Kencana Satu : Dinamika Masalah Hukum Dan Keadilan, 11(1), 115–128.
<https://doi.org/10.32493/jdmhkdmdhk.v11i1.5611>

Mahroji, D., & Nurkhasanah, I. (2019). Pengaruh Indeks Pembangunan Manusia Terhadap Tingkat Pengangguran Di Provinsi Banten. *Jurnal Ekonomi-Qu*, 9(1).
<https://doi.org/10.35448/jequ.v9i1.5436>

Maryozi, Z., B. Isyandi, & Ando Fahda Aulia. (2022). Pengaruh Pengeluaran Bidang Pendidikan, Kesehatan Dan Infrastruktur Jalan Terhadap Indeks Pembangunan Manusia (IPM) Di Provinsi Riau. *Jurnal Niara*, 15(1), 1–11.
<https://doi.org/10.31849/niara.v15i1.7380>

Nahumuri, L. L. (2019). Esensi Dan Urgensi Pengeluaran Pemerintah Untuk Pembangunan Daerah. *Jurnal Ilmu Pemerintahan Suara Khatulistiwa*, 4(1), 1–12.
<https://doi.org/10.33701/jipsk.v4i1.597>

Novreska, S., & Arundina, T. (2024). the Role of Islamic Financial Inclusion in Poverty, Income Inequality, and Human Development in Indonesia. *Journal of Islamic Monetary Economics and Finance*, 10(1), 135–154.
<https://doi.org/10.21098/jimf.v10i1.1973>

Nugroho, L., Mastur, A. A., Harnovinsah, & Aryanti, W. (2020). The Contribution of Islamic Bank in Poverty Alleviation. *Al-Ahkam*, 30(1), 19–38.
<https://doi.org/10.21580/ahkam.2020.30.1.5387>

Nugroho, M. R., & Qizam, I. (2015). Financial System Stability in Indonesia during The Global Financial Crisis 2007/2008: Conventional vis-à-vis Islamic. *Global Review of Islamic Economics and Business*, 2(2), 136.
<https://doi.org/10.14421/grieb.2014.022-05>

- Nurdany, A. (2016). Pengaruh Pembiayaan, Aset, dan FDR Perbankan Syariah terhadap Kesejahteraan Masyarakat di Indonesia. *Jurnal Ekonomi & Keuangan Islam*, 2(2), 1–9. <https://doi.org/10.20885/jeki.vol2.iss2.art1>
- Riana, A., & Khafid, M. (2022). Analysis of Government Spending on Education on the HDI. *Jejak*, 15(2), 324–335. <https://doi.org/10.15294/jejak.v15i2.38263>
- Rohmi, M. L., Jaya, T. J., & Fahlevi, M. R. (2021). Pengaruh Pembiayaan Syariah dan Indeks Pembangunan Manusia (IPM) Terhadap Tingkat Kemiskinan Di Provinsi Aceh: Analisis Data Panel. *Jurnal Ilmiah Ekonomi Islam*, 7(03), 1409–1415. <http://jurnal.stie-aas.ac.id/index.php/jiedoi:http://dx.doi.org/10.29040/jiei.v7i3.2602>
- Rontos, A. S. P., Kawung, G. M. V, & Tumangkeng, S. Y. L. (2023). Pengaruh Produk Domestik Regional Bruto dan Rata-Rata Lama Sekolah Terhadap Indeks Pembangunan Manusia di Kabupaten Bolaang Mongondow Selatan. *Jurnal Berkala Ilmiah Efisiensi*, 23(4), 133–144.
- Salsabila, H., & Sekaringsih, R. B. (2023). The Effect of Islamic Bank Financing on the Human Development Index: A Case Study of 15 Cities on Java Island. *Bulletin of Islamic Economics*, 1(2), 1–10. <https://doi.org/10.14421/bie.2022.012-01>
- Siagian, Y., Hidayat, N., Gultom, G. A. M., Belcha, D., & Sipahutar, J. N. (2024). Pengaruh PDRB dan Jumlah Penduduk Terhadap Indeks Pembangunan Manusia (IPM) di Provinsi Riau Tahun 2010-2022. *IJEDR: Indonesian Journal of Education and Development Research*, 2(2), 1397–1403. <https://doi.org/10.57235/ijedr.v2i2.2615>
- Sopiyanti, V., Iqbal Fasa, M., & Islam Negeri Raden Intan

- Lampung, U. (2021). *Analysis of the Role of Sharia Bank Financing on Community Productivity in the Digital Age Analisis*. 7(2), 112–123.
- Sugiono. (2018). *Metode Penelitian Kuantitatif, Kualitatif, dan R&D*. ALFABETA.
- Todaro, M. P. (2008). *Pembangunan Ekonomi*. <https://doi.org/https://doi.org/10.1109/PSCE.2009.4840154>
- UNDP. (2024). *Human Development Index (HDI)*. <https://hdr.undp.org/data-center/human-development-index#/indicies/HDI>
- Wardani, I. I., & Al Arif, M. N. R. (2021). The Effect of Sharia Bank Financing, Zakat, and Education Expense, on Economic Growth and Human Development Index in Indonesia 2015-2019. *EKONOMIKA SYARIAH : Journal of Economic Studies*, 5(1), 1. <https://doi.org/10.30983/es.v5i1.4096>