

## CHAPTER VI

### CONCLUSION AND RECOMMENDATION

#### A. Conclusion

Based on the analysis that has been done, can be obtained the following conclusion:

1. Government expenditure variable on health sector which represented as a human resource investment has positive and significant influence to the economic growth in Java period of 2010-2016.
2. Variable of government expenditure on education sector which represented as an investment of human resource is not significant influence to the economic growth in Java period of 2010-2016.
3. Variable of Human Development Index has a positive and significant influence on economic growth in Java period of 2010-2016.
4. Working labor force variable has a positive and significant influence on economic growth in Java period of 2010-2016.

#### B. Recommendation

In accordance with the results obtained, then proposed some suggestions as follows:

1. Considering the influence of government expenditure on health sector towards economic growth in Java, the government is expected to

increase the realization of government spending in the health sector efficiently. The government in every province in Java should allocate 10% of the total regional government budget for the health sector in accordance with Law No.36 of 2009 Article 171 on health. Increased government expenditure in the health sector can be performed through several things, including by providing adequate health facilities, improving the quality of health services, conducting health counseling, and providing free medicines for the poor.

2. Through the analysis results that government expenditure in the education sector does not affect the economic growth in Java period of 2010-2016, then the government should pay more attention to the budget issued whether the expenditure are distributed properly and on target, or not. The mechanism is can be through change the composition of routine expenditure which is more suppressed as possible and enlarges the effort of the government itself when issuing the budget in order to make the education sector able to boost the economic growth.
3. Considering the influence of Human Development Index on economic growth in Java, the government should make efforts to increase economic growth in each region by relying on its potentials, as well as implementing development that is oriented on the distribution of income and economic results throughout the community. Therefore the

purchasing power parity of the community will be better, so that can improve the welfare of life.

4. The government is expected to increase the availability of job in order to absorb the labor force due to working labor force has a positive effect on economic growth in Java.

### **C. Research Limitation**

Based on the results of the research there are several limitations, as follows:

1. Lack of time series data which only took 7 years, due to the limitations in data availability for some variables.
2. May there are so many factors that affecting economic growth, however in this study only analyze 4 variables only.
3. Limited data from Human Resource Investment indicator becomes an obstacle in this research, so it is necessary to look for more data which can be more representative for research and can be accounted for by economic analysis.
4. For a future researcher who is interested in Human Resource Investment, it is advisable to pay more attention to the determination of other factors and look for more references about human capital or human resources.