THE RELATION OF HUMAN DEVELOPMENT INDEX TO ECONOMY OF HEALTH AND EDUCATION IN PALU CENTRAL SULAWESI

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Abstract
Human as subject and object of development should be able to improve the quality of his life, and because of it the role of government and society is so needed. Human Development Index (HDI) is an index for measuring the welfare of society. This study aimed to analyze the effect of government expenditure financing elasticity in sector of health, education to human development in Palu city during the period 2005-2013. Data analysis used is the general function of elasticity. The calculation result showed the government’s financing expenditure in the health sector there is a relationship in an inelastic that the effect is relatively small (El <1) or less than 1 is equal to 0,018 to human development index (HDI), whereas in the education sector have a positive effect with the elasticity of the relatively low in elasticity (El <1) or less than 1 is equal to 0,032. Therefore, the government and society must improve the quality of human life through the increase of budget, population control, quality health care, educational training skills to reduce the maternal mortality rate and infant, reduce malnutrition, illiteracy in order to improve Indexx Human Development (HDI ).

Keywords: human development index, economic, health, education

1. Introduction
Human has become the main focus in any program of development achievements. Internationally known as the Millennium goal called "Sustainable Development Goals (SDG’s)" is the commitment of international community, particularly the developing countries of the policy vision of social development. This policy in accordance with the recommendation of the United Nations Development Programme (UNDP) in book "The Economics of Democracy" aspect of investment financing that is more
adequate for the poor to human development efforts in improving their quality life. Indicator of society welfare as the ultimate goal of development of a society which only uses per capita income is not accurate, but the overall economic development as an indicator used as a measure of welfare that was built by United Nations Development Program (UNDP) (Haq, 1996).

Human Development Index (HDI) is developed by Amartya Sen in his book -Development as Freedom (Sen, 1999). This index focuses more things that are considered to be more effective and useful in the development process. In Human Development Index, there are four main elements in human development, namely productivity (productivity), Equalization (equity), sustainability (sustainability) and empowerment (empowerment) (UNDP, 1996). Human Development Index covers three areas as seen from the quality of physical and non-physical of population. 3 (three) indicators are: indicators of health, education level, and economic indicators. The physical quality is reflected in life expectancy at birth (life expectancy at birth), adult literacy rate (adult literacy rate), mean years of schooling (mean years of schooling), and the purchasing power (purchasing power parity). Explanation of life expectancy indicator measuring health, indicator of adult literacy rate and mean years of schooling measuring education, and purchasing power indicator measuring the standard of living (UNDP, 1990). The influence of human development to economic growth by improving the quality of human resources or in economic is called human capital (Ranis and Stewart, 2002). Concept of quality human capital refers to commodities that can be produced and accumulated and the cost to produce a quality human capital that provides results in the future (Ananta, 1986). Improving the quality of human capital can be achieved if paying attention to two (2) determining factor in human development: education and health.

On December 18, 2008 was launched a new accounting system to Human Development Index by entering Gross Domestic Product (GDP) which is new. This resulted in changes in numbers of Human Development Index each country and the ranking of the world. The numbers of Human Development Index (HDI) for 13 years have increased and decreased in 1980 HDI (0,522), 1985 (0,562), 1990 (0,624), 1995 (0,658), 2000 (0,673), 2005 (0,723), 2006 (0,729), 2007 (0,734), 2008 (0), in 2009 (0,593) in 2010 (0,600), in 2011 (0,617), in 2013 (0,629). Indonesia is a country with a very large number of people who are 232,516,8 million inhabitants with a population that is very large, Indonesia has potential of Human Resources that are very large in terms of quantity, then how is the quality/quantity of Indonesian human resources in international world. According to data from Human Development Index, Indonesia ranked 108 in the world, compared with Norway which was ranked first in the international community, in terms of quality human resources and Norwegian state allocates his expenditure on education as much as 6,7% of budgetary fund. Then for countries of High Development i.e. Bahamas, Argentina, Kuwait, Romania, Uruguay, Lybiana Emirates, Panama, Saudi Arabia, Mexico, Malaysia, Bulgaria, Costa Risa are in the rank order of the 43rd-62nd, and for countries of Medium Development in the rank order of 86-105 are China, Sri Lanka, philippines, Indonesia, Moldova, Mongolia, Thailand, Suriname, Paraguay, Egypt, Elsavador, and countries that have in low rank order are Kenya, Bangladesh, Ghana, Cameroon, Myanmar, Papua, Nepal, Nigeria, Uganda, Angola, Zambia are at 128-147 rank lower than Indonesia. (hdr.undp.org/en/statistics/2013).

Seen from the aspect of employment that the number of unemployment in Indonesia is quite large,
namely 8.4% of total workforce in Indonesia, it shows a lot of human resources who are unemployed and do not get a job in Indonesia, compared to the state of Norway, with the number of unemployed people amounted to 2 percent of total workforce, with the rate of population in Indonesia on average 12.7 years or until education in senior high school. High unemployment gives effect on national income, Indonesia budget funds amounting to 4.394 US$, total of household consumption expenditure of Indonesian society is 2.138 US$, if compared with budgetary funds of Norway state amounting to 58.278 US$, with total of household consumption of Norwegian society amounting to 19.969 US$, this situation indicates that the income of population in Indonesia is low, and expenses for cost of living is expensive, so people are very limiting to consume goods and relatively low savings.

Human development is a problem in developing countries, including Indonesia, which has not managed to achieve high economic growth, but failed to reduce the socioeconomic inequality and poverty. Why the human development needs attention first, in general, developed countries have high income levels but did not succeed in reducing social problems, such as abuse of drugs, AIDS, alcohol, bums, and violence in household. The second, low-income countries are able to achieve high levels of human development because being able to use wisely all resources to develop the capability of basic human needs in households (UNDP, 1990). The people’s purchasing power give effect on Human Development Index (HDI) because the purchasing power is one of the indicators of income (Todaro, 2006). Another factor is the dependency ratio is the ratio of non-productive age population with productive age (Kuncoro, 2010).

Population in 2013 in Palu city amounted to 356.279 inhabitants, to meet the need in field of health there are 8 hospitals consisting of two district general hospitals, two hospitals Military and Police and three private hospitals, while for community health centers (Puskesmas) this time in Palu has 13 units and 29 community health posts. Human Development Index (HDI) of Palu that measurement through the population condition by educational aspect educational attainment and the sufficiency economy for a decent life. Human development Index value showed an increase from the previous year. In 2012 HDI of Palu by 77,48 per cent and in 2013 there is a change of 77,51 percent or an increase of 0,3 percent. This increase is inseparable from the hard work of all parties from government, private, college and community. (BPS, 2015)

Life expectancy rate in Palu in 2013 was 70,56 that there was an increase in 2012 amounted to 70,54, this number is categorized as high. Literacy rate in Palu was an increase by 0,04 percent from 99,34 percent in 2012 increased to 99,38 percent in 2013. the poverty line in Palu in 2009 amounted to Rp. 266.407 per month, and in 2013 increased to Rp.359,539 per month, resulting in a span of four years was an increase of Rp. 93.132 or 34.9 percent. This indicates that the income of the poor in Palu has increased. When viewed from the percentage of population (P0) which is under the poverty line (gk) in 2009, namely 9.19 percent to 7,24 percent in 2013, it shows that the government of Palu managed to reduce poverty by 1,27 percent in a span of 4 years. In 2009 the number of poor population 30.110 inhabitants and decreased to 28.420 inhabitants in 2013. (BPS, 2015)

Government financing expenditure in health and education sectors are two of the several factors that affect human development, the two factors are services that the financing was provided by government, does not rely on the market in private sector. In terms of improving human development, education and
good health, for every human being can be achieved through the allocation of government spending on education and health sectors. With the increase in government spending allocation in the sector it will improve human development, and government financing expenditure is called public investment.

In 2013 Gross Domestic Product (GDP) in Palu City was Rp. 3,624,204 (million rupiah) has risen 10.96 percent from 2012 amounted to Rp.3,305,958 (million) based on constant prices. The service sector provided the largest contribution to the economy in the Palu city at 30.17 percent and the lowest contribution is electricity, gas and water (BPS, 2015). Therefore it takes an investment to be able to create the formation of a productive human resource. Investment in human capital is expected to be a positive influence on economic performance, one of which can be seen from the aspect of economic level, health, education and poverty. Human capital investment contributes to the development that includes human resource development that it requires targeted government policies in promoting the increase of human resources quality.

2. The Method

This study used secondary data including: Gross Regional Domestic Product (GRDP) and the dependency ratio, household consumption for food, budget financing for health and education. Data was taken from several publications (BPS) Indonesia and BPS of Palu. Technical analysis of data used was elasticity function. Elasticity measurement tool was chosen to determine how much influence a change to the effect of change in other variables. This function is made to do how the effect of government spending in health and education of human development index (HDI) in Palu city. To analyze the elasticity of government spending in sectors of health and education to human development index. General formulation was used (Sukirno, 2004).

The research variables wherein:
Dependent variable (Y) = Human Development Index (HDI)
Independent Variable of financing expenditure in health sector = (X1)
Independent Variable of financing expenditure in education sector = (X2)

Elasticity formula wherein:
\[ E_Y = \frac{\Delta y}{y} \cdot \frac{\Delta x}{x} \]

Wherein:
\[ E_Y \] : Elasticity of Human Development Index (HDI)
\[ \Delta y/y \] : Percentage of Changes in Human Development Index (HDI)
\[ \Delta x/x \] : Percentage of Changes of Variable X (PK and PP)
\[ E_Y \] : Elasticity of Human Development Index (HDI)
\[ \Delta y/y \] : Percentage of Change in the Human Development Index (HDI)
\[ \Delta PK/PK \] : Percentage of Change in Health Sector Government Expenditure (PK)
\[ \Delta PK/PP \] : Percentage of Change in Education Sector Government Expenditure (PP)

Furthermore, to differentiate the results of elasticity was used measurement by large/small degree of elasticity coefficient which:
1. When $E_{ly} > 1$, then human development index (dependent variable), is the elasticity of elastic (elastic), meaning that any changes in variable $X$ (independent variable) by 1 percent would result in changes in human development index number greater than 1 percent.

2. When $E_{ly} = 1$, then human development index (dependent variable), is the elasticity of unitary (unitary), meaning that the percentage change in variable $X$ (independent variable) equal to the percentage change in human development index.

3. If $E_{ly} < 1$, then human development index (dependent variable), is the elasticity of inelastic (inelastic), meaning that any changes in variable $X$ (independent variable) by 1 percent would result in changes in the number of human development index of less than 1 percent.

**Operational Definition and Measurement of Variables**

Human Development Index (HDI) in government spending in health sector and education sector is the entire budget of Regional Budget (APBD) spent by the government of Palu city. Human Development Index is the percentage of Human Development conducted in Palu city (years 2005-2013). Variable is the subject of research or what concerns of a study (Suharsini Arikuto, 1998).

Human Development Index (HDI) is an indicator that measures three variables of main components, namely life expectancy at birth (life expectancy at birth), literacy rate of adult population (adult literacy rate), mean years of schooling (mean years of schooling), and purchasing power parity (purchasing power parity). Human Development Index in Palu city is obtained from the Central Bureau of Statistics (BPS), which served as a percent.

Operational definition that is an explanation of the variables used in the study are as follows:

a. Government spending in education, is the amount of government spending of Palu city for education sector which reflects government spending from the total of budget income and expenditure allocated to education sector. Variable is calculated in unit of Rupiah’s Thousand. Data used is the allocation of government expenditure of Palu in education sector in 2005-2013 (in rupiah).

b. Government spending of health sector is the amount of government expenditure allocation in health that reflects government spending from the total budget income and expenditure allocated to health sector. Variable is calculated in unit of Rupiah’s Thousand. Data used is the allocation of government expenditure of Palu in health sector in 2005-2013 (in rupiah).

c. Human Development Index (HDI) is a number that indicates the attainment of life quality of physically spent by UNDP annually HDI value $(0,0 – 1,0)$ is lower category, HDI value between $(0,51-0,79)$ is medium category and measurement value of HDI $(0,8-1 )$ is higher category or a process to expand choices for humans (UNDP, 2010). In addition, human development is a process that human is able to have more choices, especially in income, health, and education. The three dimensions include a longevity and healthy (longevity); knowledge (knowledge) and a decent life (living standards). Human development variable is in a proxy of Human Development Index (HDI) which is calculated in units of Percent. IPM Data used in this study is HDI of Palu City during the period of 2005-2013.
4. Result and Discussion

I. Demographic Aspects

Population Projection of Palu in 2014 reached 362,2 thousand inhabitants, with a sex ratio of 101 or there were 182,2 thousand inhabitants of male and 180 thousand inhabitants of female population. Population in Palu is generally influenced by components of birth, death and migration of people experiencing natural population growth rate of about 1.7 percent to the previous year, birth rate of 16 (per 1,000 inhabitants), 5 mortality rate (per 1,000 population), while the level migration that generally is influenced by economic factors in this case the opportunity to get a job in order to achieve an increase the standard of living and welfare, as well as other activities such as going to school, taking care of household, and others, is estimated at 1.180 inhabitants of immigrants and predicted to be around 170 inhabitants out. Population density of Palu is 917 inhabitants per square kilometer, while the population spreading is not evenly distributed. Ujuna village with an area of 0.49 square kilometers, has a population of 10,180 inhabitants is the densest population Village is around 20,776 inhabitants per square kilometer, while the population of Poboya Village with an area 63,41 kilometers, has a population of 1,605 inhabitants per square kilometer is the lowest population density with a population of 25 inhabitants per square kilometer. For district leve, East Palu is into the densest districts with a total area 7,71 square kilometers and a population of 67,419 inhabitants, has a population of 8,744 inhabitants per square kilometer, district with the lowest population District is Mantikulore that the population is around 20,776 inhabitants per square kilometer, in an area of 206,8 square kilometers with a population of only around 59,451 inhabitants.

Composition or structure of the population aged 15 years and above of Palu City during 2013 as much as 63,57% is in the labor force and only amounted to 36,43% of the non labor force which the rate of labor force participation of 63,57%, the rate of employment opportunity of 92,97 % and the open unemployment rate of only 7,03%. So the number works dependence by 57% which every 2 persons work to bear at least one person who is not labor force. If not better prepared, then Palu is estimated to be going to increase in the birth rate and mortality rate reduced so that the expectations of many people of working age who can bear people who are not labor force (Biro Pusat Statistik, Kota Palu, 2014).

II. The Relationship Between Government Funding Expenditure Variable on Human Development Index (HDI) in Palu city.

Education and health of population will determine the ability to absorb and manage the sources of economic growth both in terms of technology and to institution that is important for economic growth. With better education, the use of technology or technological innovation will happen better so the quality of human capital, can contribute to human development (Sukirno, 2004).

Relationship Between Variables Research
The research variables, Dependent variable = Human Development Index (HDI) (Y)
Independent variables (X1) = Variable of government expenditure financing in health sector
Independent variable (X2) = Variable of government expenditure financing in education sector

Table 1. Dependent Variable Data of Human Development Index (HDI) and Independent Variable of Government financing Expenditure of health Sector and Government financing Expenditure of Education Sector in Year 2005-2013 in Palu

<table>
<thead>
<tr>
<th>No.</th>
<th>Year</th>
<th>Y (Human Development Index)</th>
<th>X1 (Health Sector)</th>
<th>X2 (Education Sector)</th>
</tr>
</thead>
<tbody>
<tr>
<td>1.</td>
<td>2005</td>
<td>71.63</td>
<td>18,448</td>
<td>91,336</td>
</tr>
<tr>
<td>2.</td>
<td>2006</td>
<td>74.41</td>
<td>25,589</td>
<td>119,690</td>
</tr>
<tr>
<td>3.</td>
<td>2007</td>
<td>75.14</td>
<td>44,691</td>
<td>138,340</td>
</tr>
<tr>
<td>4.</td>
<td>2008</td>
<td>75.67</td>
<td>55,671</td>
<td>161,078</td>
</tr>
<tr>
<td>5.</td>
<td>2009</td>
<td>75.99</td>
<td>52,792</td>
<td>2014,351</td>
</tr>
<tr>
<td>6.</td>
<td>2010</td>
<td>76.4</td>
<td>64,920</td>
<td>212,338</td>
</tr>
<tr>
<td>7.</td>
<td>2011</td>
<td>76.92</td>
<td>86,148</td>
<td>295,732</td>
</tr>
<tr>
<td>8.</td>
<td>2012</td>
<td>77.48</td>
<td>112,120</td>
<td>348,282</td>
</tr>
<tr>
<td>9.</td>
<td>2013</td>
<td>77.88</td>
<td>228,968</td>
<td>426,904</td>
</tr>
<tr>
<td>10.</td>
<td>2005-2013</td>
<td>71.63-77.88</td>
<td>18,448-228,968</td>
<td>91,336-426,904</td>
</tr>
</tbody>
</table>

Source: Secondary Data processed, 2015

II. The Percentage Changes in Human Development Index (HDI) in Palu

The percentage change in Human Development Index (HDI) in Palu has a percentage change in Human Development index in the period (2005-2013) of 0.05. Palu has the percentage change in human development index in the period 2005 to 2013 amounted to 0.056. This value is obtained from the movement of human development index (HDI) in 2005-2013 ($\Delta Y$) which is compared with the value of human development index (HDI) in 2005 (the year of basic research). Table 2 below shows how the percentage change in the formation of human development index (HDI) in Palu, namely:

Table 2 Change Percentage Data of Human Development Index in Palu years 2005-2013

<table>
<thead>
<tr>
<th>No</th>
<th>Year</th>
<th>Human Development Index (Y)</th>
<th>$\Delta y$</th>
<th>Percentage Change of HDI ($\Delta y/y$)</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>2005</td>
<td>73.63</td>
<td>0.78</td>
<td>0.011</td>
</tr>
<tr>
<td>2</td>
<td>2006</td>
<td>74.41</td>
<td>0.73</td>
<td>0.010</td>
</tr>
<tr>
<td>3</td>
<td>2007</td>
<td>75.14</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>
The table above shows the elasticity changes of health aspect on Human Development Index and the elasticity changes of educational aspect on Human Development Index, and how the influence of both the education and health sectors.

III. Elasticity of government expenditure financing in Health Sector (PK) on Human Development Index in Palu Year 2005-2013.

Palu has a percentage change of Government Expenditure of Sector Health (PK) in the period 2005 to 2013 amounted to 3,207. This value is obtained from the movement of government spending of Health Sector (PK) in 2005 and 2013 (ΔPK) compared to the value of government spending of Health Sector (PK) in 2005, so the percentage change in HDI of 0,056 compared with the percentage change in PK of 3,207 producing elasticity of Government Spending of Health sector (PK) of 0,018.

This means that every change in the Government Expenditure of Health Sector by 1 percent, human development index in Palu would rise by 0,018 percent. For formation process of elasticity of health sector fully can be seen in Table 3, below.

Table 3. Data of Government Spending Elasticity in Health Sector in Palu Year 2005-2013.

<table>
<thead>
<tr>
<th>No</th>
<th>Year</th>
<th>ΔY/Y (Percentage Change of Human Development Index)</th>
<th>ΔPK/PK (percentage change in health sector)</th>
<th>El PK (changes elasticity in health sector to Human Development Index)</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>2005</td>
<td>0.011</td>
<td>0.550</td>
<td>0.019</td>
</tr>
<tr>
<td>2</td>
<td>2006</td>
<td>0.010</td>
<td>0.563</td>
<td>0.017</td>
</tr>
<tr>
<td>3</td>
<td>2007</td>
<td>0.007</td>
<td>0.246</td>
<td>0.029</td>
</tr>
<tr>
<td>4</td>
<td>2008</td>
<td>0.004</td>
<td>-0.052</td>
<td>-0.082</td>
</tr>
<tr>
<td>5</td>
<td>2009</td>
<td>0.005</td>
<td>0.230</td>
<td>0.023</td>
</tr>
<tr>
<td>6</td>
<td>2010</td>
<td>0.007</td>
<td>0.327</td>
<td>0.021</td>
</tr>
<tr>
<td>7</td>
<td>2011</td>
<td>0.007</td>
<td>0.301</td>
<td>0.024</td>
</tr>
<tr>
<td>8</td>
<td>2012</td>
<td>0.005</td>
<td>1.042</td>
<td>0.005</td>
</tr>
</tbody>
</table>

Source: Secondary data processed in 2015

Note: ElPK = Elasticity HDI (Y) on PK = Δy/Δx/x
Elasticity level in health sector can be seen in following graph:

Figure 1. The elasticity of government spending in health sector

The higher the percentage of financing government spending increase in health sector, the improvement of health degree, life expectancy increases and healthy and able to produce quality human resources.


Palu has a percentage change of government expenditures in Education Sector (PP) in the period 2005 to 2013 amounted to 1,735. This value is obtained from the movement of Government Expenditure in Education Sector (PP) in 2005 and 2013 (ΔPP) compared to the value of government expenditures Education Sector (PP) in 2005, so the percentage change in HDI of 0,056 compared with the percentage change in PP of 1,735 generate elasticity of Government Spending in Education sector (PP) of 0,032. This means that every change in government Spending in Education Sector by 1 percent, then human development index in Palu will increase by 0,032 percent. For the process of formation of elasticity of health sector can be seen in Table 4 below.

Table. 4. Elasticity Data of Government Spending in Education Sector in Palu Year 2005-2013.

<table>
<thead>
<tr>
<th>No</th>
<th>Year</th>
<th>ΔY/Y (Percentage changes of Human Development Index)</th>
<th>ΔPP/PP (percentage change in education sector)</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>2005</td>
<td>0.011</td>
<td>0.310</td>
</tr>
<tr>
<td>2</td>
<td>2006</td>
<td>0.010</td>
<td>0.156</td>
</tr>
<tr>
<td>3</td>
<td>2007</td>
<td>0.007</td>
<td>0.164</td>
</tr>
<tr>
<td>4</td>
<td>2008</td>
<td>0.004</td>
<td>0.269</td>
</tr>
<tr>
<td>5</td>
<td>2009</td>
<td>0.005</td>
<td>0.039</td>
</tr>
<tr>
<td>6</td>
<td>2010</td>
<td>0.007</td>
<td>0.393</td>
</tr>
<tr>
<td>7</td>
<td>2011</td>
<td>0.007</td>
<td>0.178</td>
</tr>
<tr>
<td>8</td>
<td>2012</td>
<td>0.005</td>
<td>0.226</td>
</tr>
<tr>
<td>9</td>
<td>2013</td>
<td>0.005</td>
<td></td>
</tr>
</tbody>
</table>

Source: Secondary data processed (2015)
Note: \( EliPK = \text{Elasticity of HDI (Y) on PK} = \frac{\Delta y}{y} \frac{\Delta x}{x} \)

Elasticity level in education sector can also be seen in Figure 2 below: namely the level of elasticity in education sector.

Figure 2. Elasticity level in Education Sector

The higher the percentage of increase in government spending on education sector, the percentage of literacy rate will increase and will increase the quality of human resources. Seen from table 2 and 3 the situation is not elastic (in elastic), because the increase in the value of independent variable (independent variable) government spending in education sector and health sector, will lead to a rise in the value of dependent variable (dependent variable) that is increasing Human Development Index (HDI). Because government as implementer of development requires qualified human as basis capital for development.

The increase in human development will improve the welfare of society. The increase in human development can be observed on the size of HDI. If the indicator/variable in HDI increases, it can be presumed that the level of social welfare will also increase. If the level of social welfare increases, poor people become less and less. The result of calculation of elasticity value is obtained in elastic of education and health sectors.

V. Relationship Between Human Development Index with Health Sector

The elasticity for Palu provides positive behavior but not directly to human development index. Based on the results of study can be said to be the relationship between government spending in health sector and human development index. Although elasticity of Palu shows the elasticity of less than 1 \((El < 1)\) with a value \((0.018)\), which means that the inelastic relationship between government spending in health and human development index.

In general concept of government spending in health sector is expected to contribute to human development index, because of government spending in health sector is a means to evacuate the government performance in improving the welfare of general population. To improve the high level of health every people will determine the ability to absorb and manage the sources of economic growth through human development index, both in relation to technology and to institutional necessary for economic growth in Palu in the human development index.

VI. Relationship Between Human Development Index with Education Sector

Based on the results of elasticity of education sector on human development index in the period 2005 to 2013 showed a positive behavior in Palu. The existence of relationship between education and human development index is evidenced by the value of elasticity of less than 1 \((El < 1)\) by which the value of 0.032 which means that the inelastic relationship between government spending of education sector and human development index. So education is expected to play a major role in shaping a country's ability to absorb the modern technology and to develop capacity for the creation of growth and development incessantly. Government is expected to be able to allocate greater funding to improve the education quality
Relationship Between HDI with Health and Education sectors can be seen from the aspect of human (human capital) as the quality of human capital that is one of the important factors in economic growth process. In Cobb-Douglas theory suggests that the achievement of economic growth is not apart from the quality of human capital. With qualified human capital, economic performance is believed to also be better. The quality of human capital, for example seen from the level of education, health, or other indicators, will affect the quality of human resources in economic development. (Edwin, F.Ulveling and Lehman B.Fletcher, A Cobb Douglas, 1970).

Government spending on education and health sectors affects on the Gross Domestic Productions. In 2013 the numbers of Gross Domestic Product (GDP) in Palu amounted to Rp. 3.624.204 (million rupiah) that has risen 10.96 percent from 2012 amounted to Rp. 3.305.958 (million rupiah) based on constant price. The service sector provided the largest contribution to the economy of Palu at 30.17 percent and the lowest contribution is electricity, gas and water (BPS, 2015). Therefore, it needs investment in human capital having contribution to economic development in the effort to create the formation of a productive human resources that will be a positive influence on economic performance in the aspect of economic level, health, education, thus encouraging an increase in qualified Human Resources.

Economic development policies encourage the improvement of human beings quality, including in terms of the economic performance to be empowered to participate in the planning and execution of decisions of human life quality, which puts humans (population) over the control of economic resources, for example to get income to achieve a decent life, improving health level (long life expectancy and healthy) and improve education.

In this case the government has a variety of roles in the economy. There are three main roles that must be carried out properly in the economy by government, namely:

(1) The role of stabilization, government is acting more as a stabilizer to keep the economy running normally, and keep problems that occur in one sector of the economy does not spread to other sectors.

(2) The role of distribution, government should establish policies that the allocation of economic resources are efficiently implemented so that the wealth of a country can be distributed well in community.

(3) The role of allocation of budget funding for health care and education are to be improved because budgetary fund is very small relative. Government must determine how much of its resources will be used to produce public goods, and how much will be used to produce individual goods.

Government spending can be used as a reflection of policy taken by the government in a region. The government's policy on every purchase of goods and services for the implementation of program reflects the government's costs to be spent to implement the program. Government expenditures are used to finance the important public sectors, among all of the current public sector that is a government priority in achieving the development of human resources in terms that reflected from human development index is investment in education and health sectors that investment in this sector is expected to give effect on improving the quality of human resources and reduce poverty. The development of health and education...
should be seen as an investment to improve the quality of human resources, among others measured by the Human Development Index (HDI). In the measurement of Human Development Index, health and education are one of the main components in addition to income. Health and education are also an investment to support economic development as well as having an important role in poverty reduction efforts of people in Palu.

The government as a development executive requires qualified human as capital basis for development. Human in the role is a subject and object of development, which means human as well as actor of development is also the target of development. In this case varieties of educational and health infrastructure are needed to encourage the role of humans in development which of the necessary investments to create the formation of a productive human resource. Investment in human capital is expected to be a positive influence on economic performance, one of which can be observed from the aspect of education, health and poverty that is the development of qualified human resources. Qualified human resources can be done by improvement of the quality of human capital. Through the evenly distribution of income by opening the achievement of high economic growth so that the level of health and education will be better and in turn will improve the productivity of workforce and the quality of human life.

VII. Conclusions and suggestions
1. The elasticity of government spending in the health sector in 2005-2013 had a positive influence on the elasticity of Human Development Index despite of having effect relatively low with elasticity value in an inelastic E <1 with a value of 0.018, which means the increase in allocation of government spending in the sector will increase the human development and decline the birth rate and death rate so that the quality of human life will be better and life expectancy increase.
2. The elasticity of government spending in education sector in 2005-2013 affect the elasticity of Human Development Index with elasticity value in elasticity E <1 with a value of 0.032 is expected the government to allocate greater funding to improve the quality of human resource, by improving the allocation of government expenditure in the sector will improve the qualified population

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