THE EFFECT OF INVESTMENT (PMDN) AND HUMAN DEVELOPMENT INDEX (HDI) ON ECONOMIC GROWTH IN THE DISTRICTS / CITIES OF WEST KALIMANTAN

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ABSTRACT

This study aims to test and analyze the effect of investment projected by domestic investment (PMDN) and the human development index (HDI) on economic growth in the district / city of West Kalimantan. The analysis method used in this research is panel data regression analysis technique with the sample used, namely PMDN data, HDI and Economic Growth of 14 districts / cities in West Kalimantan during the period 2014-2023. The results showed that the investment variable projected with PMDN data had a positive and significant effect on economic growth in 14 districts / cities of West Kalimantan Province, this is because the amount of investment in various regions in West Kalimantan province has increased, thus increasing economic growth. Then for the variable human development index (HDI) does not have a significant effect on economic growth in 14 districts / cities of West Kalimantan Province this is because an increase in HDI may not have been accompanied by adequate economic transformation, due to several obstacles such as limited suitable employment opportunities or lack of supporting infrastructure. In addition, the economic structure is more dominant in the primary sector such as agriculture, plantations, or mining as well as the occurrence of development inequality between regions.

JEL: E22, O15, O40

Keywords*: foreign direct investment, HDI, economic growth*

I. INTRODUCTION

Indonesia is one of the developing countries. Problems that are often experienced by developing countries including Indonesia are problems related to economic development (Wulandari et al., 2020). Economic development emphasizes efforts to improve economic welfare on a large scale. Because of its large scale, it is not easy to assess the success of economic development. Therefore, an indicator is needed that measures the success of development in a country. Economic development is inseparable from economic growth. Economic growth is one of the necessary conditions in economic development and is a benchmark and determinant of further development policies (Muryanto et al., 2022).

Economic growth is one indicator of the success of economic development in a country. If the economic level in a country grows rapidly, it will have an impact on the country's development. This can be seen from the availability of various adequate facilities, facilities and infrastructure (Fadillah & Anis, 2020). The higher the economic growth in a country or region, the more the welfare of the people in that country will increase (Pratiwi, 2023). Economic growth not only has a positive impact within the scope of a country, but can also have a positive impact on a region in that country.

In a region, indicators of the success of economic growth can be seen from the level of Gross Regional Domestic Product (GRDP) which has increased or decreased (Tarmizi et al., 2020). Each region always determines the target of a high level of economic growth in the planning and development goals of a region. West Kalimantan Province is one of the provinces in Indonesia which has 14 regencies / cities. The following presents data on the economic growth rate of 14 regencies / cities in West Kalimantan Province during 2014-2023:

Table 1. Economic Growth Rate of 14 Regency/City in West Kalimantan Province Period 2014-2023

District/City	Year (Percent)										Rata-
	Average 2023	2014	2015	2016	2017	2018	2019	2020	2021	2022	
Sambas	5,4	4,78	5,24	5,06	4,93	4,75	-2,04	4,37	4,64	4,69	4,18
Bengkayang	4,02	3,96	5,15	5,62	5,25	5,14	-1,99	4,33	5,45	4,68	4,16
Hedgehog	4,93	5,11	5,28	5,17	4,92	4,9	-0,71	4,88	4,64	4,39	4,35
Mempawah	6	5,6	5,99	5,87	5,76	5,78	0,18	4,1	4,7	5,09	4,91
Sanggau	3,26	3,15	5,34	4,48	4,21	3,73	0,71	4,19	4,61	2,04	3,57
Ketapang	2,76	5,53	7,97	7,21	7,83	6,58	-0,49	5,23	5,42	1,1	4,91
Sintang	5,36	4,65	5,28	5,33	5,15	4,99	-2,19	3,8	4,96	4,68	4,20
Kapuas Hulu	3,98	4,67	5,28	5,39	4,66	3,8	-2,43	4,43	4,51	4,62	3,89
Sekadau	6,09	5,75	5,93	5,82	5,83	5,44	-0,98	4,31	5,1	4,69	4,80
Melawi	4,73	4,61	4,75	4,7	5,25	4,41	-1,11	4,54	4,9	4,56	4,13
North Kayong	5,65	5,03	5,98	5,37	4,94	4,97	-0,76	4,6	5,03	4,48	4,53
Kubu Raya	6,37	6,21	6,37	6,54	5,25	5,68	-2,39	5,18	5,48	4,98	4,97
Pontianak City	5,94	4,84	5,08	4,96	4,22	4,02	-3,96	4,61	4,97	4,76	3,94
Singkawang City	6,61	6,18	5,17	5,38	4,64	4,41	-2,51	4,82	4,97	5,06	4,47
West Kalimantan	5,03	4,81	5,2	5,17	5,07	5,09	-1,82	4,8	5,07	4,46	4,29

Source: Central Bureau of Statistics of West Kalimantan Province (2024)

Based on table 1, shows that the economic growth rate of districts / cities in West Kalimantan province during 2014-2023 with an average economic growth of 4.29% per year. The largest economic growth rate in kubu raya district with an average economic growth of 4.97% and the lowest in sanggau district averaging 3.57% per year. The rate of economic growth in 14 regencies / cities in West Kalimantan Province that has fluctuated is inseparable from several factors that influence it. One of them is investment (Yunita & Sentosa, 2019), Investment is an activity of placing funds in an asset during a certain period in the hope of earning income and / or increasing investment, and investment is one of the drivers of economic growth (Harada, 2015). One of the conditions for the economy to achieve progress is investment (Zakaria, 2019). Investment consists of two types, namely foreign investment (PMA) and domestic investment (PMDN) (Yuliani et al., 2023).

The investment is the most important element in infrastructure development in a country or region. Therefore, support from the government is needed to facilitate investment activities (Fitriyani & Fisabilillah, 2022). Investment and economic growth have a positive reciprocal relationship. The higher the economic growth in a region, the greater the income that can be saved. So that the investment created will be even greater. The greater the investment in a country or region, the greater the level of economic growth (Pratiwi, 2023). The following is presented data on the realization of PMDN investment in 14 regencies / cities of West Kalimantan Province for the period 2014-2023:

Realization of PMDN Investment in 14 Regencies/Cities in West Kalimantan Province Period 2014-2023

District/City	Year (Million Rupiah)									
	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023
Sambas	479720	783947	928783	1154041	355494	400474	339415	241103	434447	581962
Bengkayang	2486223	2486223	4512610	4512610	135866	316713	913796	405267	56617	178378
Hedgehog	517367	1277140	2008475	4703678	1189331	176210	122761	479741	875917	1624532
Mempawah	1594671	3537598	3690495	5982129	352010	378527	4476489	5265392	264089	4769515
Sanggau	4223800	4294885	4485120	7481136	602454	947710	323452	300979	1368693	975397
Ketapang	3727621	4725125	6502895	7279009	693986	771943	833104	1481467	125448	3056653
Sintang	3544158	4420406	5273439	6432156	688510	2191190	449873	499548	572426	1364545
Kapuas Hulu	4519183	4853202	7753023	8294432	469318	464386	930266	452800	1430579	159867
Sekadau	891475	1122680	1392147	1732644	798986	556382	207711	244730	885783	114295
Melawi	930	2559	2559	61673	29688	575601	45156	33619	2155880	96161
North Kayong	-	186000	186000	186000	-	120593	-	157521	330550	227431
Kubu Raya	1870774	2212940	3096429	4302965	983442	743641	451570	961191	210484	1004917
Pontianak City	563924	450506	455631	512766	278661	51294	161937	148613	42846	638654
Singkawang City	54776	66941	96179	111451	13639	1170	941	101422	629164	99648

Source: Central Bureau of Statistics of West Kalimantan Province (2024)

Table 2 shows that investment (PMDN) in most regions experienced an increase in investment, although some regions showed considerable fluctuations. Sambas, Bengkayang, Landak, Mempawah, Sanggau, Ketapang, Sintang, Kapuas Hulu, and Kubu Raya regencies recorded significant increases in investment in 2023, with Landak and Mempawah recording the highest investment figures. Pontianak City and Singkawang City also showed significant increases in investment in 2023. This data reflects a positive increase in investment in West Kalimantan over the period.

Another factor that can affect economic growth is the human development index (HDI). HDI is human capital to achieve better economic development. Qualified human resources have high productivity so as to increase the efficiency of economic activities and in aggregate can affect economic growth in a region (Tjiptoherijanto, 1996). The higher the HDI number owned by a region, the higher the quality of human resources in the region (Alkhoiriyah & Sa'roni, 2021). The following is presented data on the HDI of 14 regencies / cities in West Kalimantan Province for the 2014-2023 period:

Human Development Index (HDI) of 14 regencies/cities in West Kalimantan Province for the period 2014-2023

District/City	Year (Points)									
	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023
Sambas	63,28	64,14	64,94	65,92	66,61	67,02	67,03	67,1	67,95	68,69
Bengkayang	64,4	64,65	65,45	65,99	66,85	67,57	67,87	68,04	68,74	69,53
Hedgehog	63,59	64,12	64,58	64,93	65,45	65,96	65,98	66,21	67,17	68,14
Mempawah	62,78	63,37	63,84	64	64,9	65,5	65,74	66,03	66,94	67,92
Sanggau	62,06	63,05	63,9	64,61	65,15	65,67	65,77	66,2	66,91	67,77
Ketapang	63,27	64,03	64,74	65,71	66,41	67,16	67,17	67,43	67,92	68,68
Sintang	63,19	64,18	64,78	65,16	66,07	66,7	66,88	66,93	67,86	68,67
Kapuas Hulu	62,9	63,73	63,83	64,18	65,03	65,65	65,69	65,75	66,7	67,67
Sekadau	61,98	62,34	62,52	63,04	63,69	64,34	64,76	64,93	65,58	66,33
Melawi	62,89	63,78	64,25	64,43	65,05	65,54	65,55	65,87	66,81	67,76
North Kayong	58,52	60,09	60,87	61,52	61,82	62,66	62,68	62,9	63,81	64,79
Kubu Raya	64,52	65,02	65,54	66,31	67,23	67,76	67,95	68,16	68,91	69,6
Pontianak City	76,63	77,52	77,63	77,93	78,56	79,35	79,44	79,93	80,48	81,03
Singkawang City	69,84	70,03	70,1	70,25	71,08	71,72	71,94	72,11	72,89	73,39

Source: Central Bureau of Statistics of West Kalimantan Province (2024)

Based on Table 3, it shows that the Human Development Index (HDI) of several districts and cities in West Kalimantan in 2014-2023 showed a consistent upward trend in almost all regions. Sambas, Bengkayang, Landak, Mempawah, Sanggau, Ketapang, Sintang, Kapuas Hulu, Sekadau, Melawi, North Kayong, and Kubu Raya districts experienced an increase in HDI, with significant increases especially after 2020. Pontianak City and Singkawang City also showed a steady increase. Pontianak City has the highest HDI, reaching 81.03 in 2023. Meanwhile, North Kayong Regency, despite having the lowest HDI, still shows a continuous increase.

Some previous studies related to this research topic, research by Joo et al. (2022) in BRICS countries for the period 1987-2018, Zardoub (2020) in 12 developing countries for the period 1990-2017 found that investment has a positive impact on economic growth. In contrast, (Goswami & Goswami, 2023; Luluk Fadliyanti et al., 2021) found that investment has no effect on economic growth. Other studies (Arifin & Fadllan, 2021; Damanik & Lubis, 2022; Sarwar et al., 2021) found that HDI has a positive effect on economic growth. In contrast, research (Maulana et al., 2022; Tuasela, 2023) found that HDI has no effect on economic growth. Based on the description of the explanation above and several studies that have been conducted in the past, researchers are interested in examining the effect of investment (PMDN) and the human development index (HDI) on economic growth in 14 districts / cities of West Kalimantan Province.

II. LITERATURE REVIEW

2.1. Harrod-Domar Theory of Economic Growth

Developed by Evsey Domar and Sir Roy F. Harrod, this theory analyzes the relationship between investment and economic growth. According to Harrod-Domar in (Sukirno, 2010), this theory aims to explain the conditions that must be met so that an economy can achieve *steady growth* in the long term. In this theory, it emphasizes that investment is a key factor in economic growth. Investment not only increases production

capacity by adding to the capital stock (such as machinery and infrastructure), but also creates aggregate demand through investment spending.

Investment is an effort to purchase goods and services or capital goods that will be used in the future in order to produce more output. Investment must continue to increase for the economy to experience prolonged growth. The increase in investment is needed to increase aggregate expenditure. In other words, increased investment will promote economic growth as more goods and services are produced and consumed.

This theory is in accordance with the results of research conducted by Nguyen & Trinh (2018) in Vietnam for the period 1990-2016, Shittu et al. (2020) in West Africa for the period 1996-2016, Kenh & Wei (2023) in Cambodia for the period 1994-2017, found that investment has a positive and significant effect on economic growth. The results of these studies indicate that investment made both from domestic capital and foreign capital traditionally affects economic growth in a country or region.

H_1: Investment (PMDN) has a positive effect on Economic Growth.

2.2. Human Development Theory

The theory of Human Development was developed by Amartya Sen, in which Sen argues that development is not only about economic growth but also about enhancing people's capability to live a life that they find valuable. In his theory, Sen emphasizes that individual freedom is at the core of development. These freedoms include political freedom, access to education and healthcare, and economic opportunities. According to Sen, without these freedoms, individuals cannot fully participate in economic and social life, which ultimately hinders development.

The Human Development Index (HDI) is a tool developed to measure a country's level of development based on three main dimensions: health, education, and community well-being (Prayitno & Yustie, 2020). The concept is rooted in Amartya Sen's Human Development Theory, which emphasizes the importance of expanding individual freedoms and capabilities. Human development is an important factor in economic growth. Qualified human resources have high productivity, so they can increase the efficiency of economic activities and can affect economic growth in general (Ezkirianto & Alexandi, 2018).

Previous research conducted by Uddin et al. (2021) in 120 developing countries for the period 1996-2014, Sarwar et al. (2021) in 83 developing countries for the period 2002-2017, Salleh et al. (2022) in Malaysia for the period 1979-1988 found that the human development index (HDI) had a positive and significant effect on economic growth.

H_2: The Human Development Index (HDI) has a positive effect on Economic Growth.

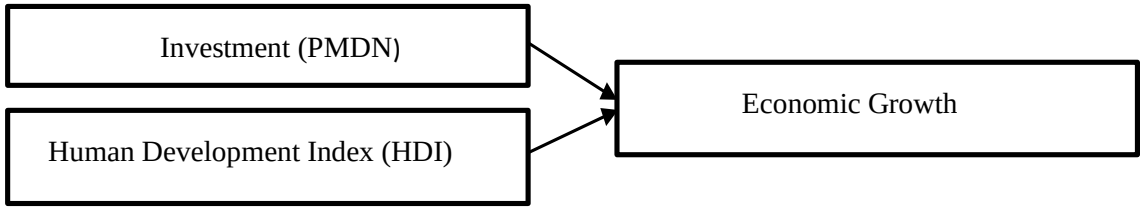

Figure 1. Research Model

III. RESEARCH METHODS

This research employed a quantitative methodology, utilizing secondary data published by the West Kalimantan Central Bureau of Statistics (BPS). The acquired data were subsequently processed to extract information in accordance with the study's parameters. This quantitative data analysis was utilized to test the previously established hypotheses (Sugiyono, 2017).

This research utilized panel data, which integrates time series and cross-sectional data. The study employed multiple linear regression analysis techniques to investigate the impact of investment (PMDN) and the Human Development Index (HDI) on the economic growth of 14 regencies/cities in West Kalimantan over the period from 2014 to 2023, encompassing a total of 140 data samples. The independent variables in this study include investment (PMDN) and the Human Development Index (HDI), while economic growth serves as the dependent variable.

The analytical method applied in this research is multiple linear regression analysis. The data were processed using the E-Views 10 software, with a significance level set at 5%. The multiple linear regression model developed in this study is presented as follows:

$$PEit = \beta 0 + \beta 1 PMDNit + \beta 2 IPMit + e$$

Where:

PE	= Economic Growth
PMDN	= Domestic Investment
HDI	= Human Development Index
$\beta 0, \beta 1, \beta 2$	= Regression
Coefficient I	= Number of Samples
t	= Time Period
e	= error

In the analysis of panel data, three regression models can be employed: the Fixed Effect Model, the Random Effect Model, and the Common Effect Model. The Fixed Effect Model assumes that the intercepts differ across units while maintaining the same slope. In contrast, the Random Effect Model incorporates disturbance variables that are estimated to be correlated across both time and units. The Common Effect Model represents a

combination of cross-sectional and time series data. When integrating these two types of data without regard for disparities among time and individuals, the estimation of the panel data model can utilize a method commonly known as the Ordinary Least Squares (OLS) method.

In determining which model is the most appropriate, it is necessary to conduct a series of panel data model selection tests, namely as follows:

1) *Chow* Test

This test is used to select one of the models in panel data regression, namely between the *fixed effect model* and the *fixed* coefficient *model (common effect model).*

2) *Hausman* Test

This test is used to select one of the models in panel data regression, namely between the *random effect model* and the *fixed effect model.*

3) *Lagrange Multiplier* Test

This test is used to select one of the models in panel data regression, namely between the *random effect* model and the fixed coefficient *model (common effect model).*

In regression analysis, several important tests are used to measure the extent to which the regression model fits the data used:

1) Test t

This test is to measure the significance of independent variables individually on the dependent variable. This test is carried out by comparing the calculated t-statistic with the critical value of the t distribution table at a certain significance level of 5%.

2) Simultaneous Test (F Test)

This test is conducted to prove whether all the independent variables used in the model have an overall impact on the dependent variable. The F statistical test determines whether the regression form can be used to predict the dependent variable or not.

3) Test Coefficient of Determination (R^2)

This test is used to test the fit of the model by looking at the R^2 value. If the R^2 value is close to 1, it indicates that the quality of the model is very good because it can explain the ability of all independent variables to influence the dependent variable.

IV. RESEARCH RESULTS AND DISCUSSION

4.1.Model Selection & Regression Test Results

The following presents the results of the panel data model selection test:

1) *Chow* Test

Table 4. Chow Test Results

Redundant Fixed Effects Tests
Equation: Untitled
Test cross-section fixed effects

Effects Test	Statistic	d.f.	Prob.
Cross-section F	0.687667	(13,121)	0.7721
Cross-section Chi-square	9.765324	13	0.7130

Source: Eviews 10, 2024

Based on table 1 of the chow test results, it shows that the probability value of the *crosssection chi-square* is 0.7130, which means that the value is greater than 0.05, so it can be concluded that the *common effect model* is more appropriate to use than the *fixed effect model.* 2) *Hausman* Test

Table 5. Hausman Test Results

Test Summary	Chi-Sq. Statistic	Chi-Sq. d.f.	Prob
Cross-section random	3.267160	2	0.1952

Source: Eviews 10, 2024

Based on table 2 *of* the Hausman test results, it shows that the probability value of the *random cross-section* is 0.1952 which means that the value is greater than 0.05 so it can be concluded that the *random effect model* is more *appropriate* to use than the *fixed effect model.*

3) *Lagrange Multiplier* Test

Table 6. *Lagrange Multiplier* Test Results

Null (no rand. effect) Alternative	One-sided Crosssection	Period One-sided	Both
Breusch-Pagan	1.736502 (0.1876)	499.1468 (0.0000)	500.8833 (0.0000)
Honda	-1.317764 (0.9062)	22.34159 (0.0000)	14.86609 (0.0000)
King-Wu	-1.317764 (0.9062)	22.34159 (0.0000)	16.31259 (0.0000)

GHM	--	--	499.1468
	--	--	(0.0000)

Source: Eviews 10, 2024

Based on table 3 of the *lagrange multiplier* test results, it shows that the Breusch-Pagan value is 0.1876, which means that the value is greater than 0.05, so it can be concluded that the *common effect model* is more appropriate to use than the *random effect model*. So it can be concluded that in the model selection test, the most appropriate regression model to use is the *common effect model.*

Table 7. *Common Effect Model*

Variable	Coefficient	Std. Error	t-Statistic	Prob.
C	1.618266	1.337870	1.209584	0.2286
PMDN	0.479738	0.230866	2.077999	0.0396
HDI	0.000140	0.000294	0.475968	0.2349

R-squared	0.751886	Mean dependent var	4.382555
Adjusted R-squared	0.747437	S.D. dependent var	2.142749
S.E. of regression	2.123986	Akaike info criterion	4.366121
Sum squared resid	604.5164	Schwarz criterion	4.430062
Log likelihood	-296.0793	Hannan-Quinn criter.	4.392105
F-statistic	2.206738	Durbin-Watson stat	2.080013
Prob(F-statistic)	0.000000		

Source: Eviews 10, 2024

Based on table 4 on the *Common Effect Model,* the regression equation is obtained as follows:

$$PEit = 1.618266 + 0.479738PMDNit + 0._{000140IPMit} + e$$

Based on the regression results, the coefficient value on the Investment variable (PMDN) is 0.479738 which indicates that if investment (PMDN) increases by 1 percent, economic growth will increase by 0.479738 percent. As well as the coefficient value on the Human Development Index variable (HDI) of 0.000140 which indicates that if the Human Development Index (HDI) increases by 1 percent, economic growth will increase by 0.000140 percent.

The partial test results (t test) showed that the probability value of the investment variable (PMDN) was 0.0396 which is smaller than the significant level so this indicates that investment (PMDN) has a positive and significant effect on economic growth in 14 districts / cities of West Kalimantan Province. While the probability value of the Human Development Index (HDI) variable is 0.2349 which is greater than the significant level so this indicates that the Human Development Index (HDI) has no effect on economic growth in the 14 districts / cities of West Kalimantan Province.

The simultaneous test results obtained amounted to 0.000000, the value is smaller than the significance level of 0.05, it can be concluded that the investment variable

(PMDN) and the Human Development Index (HDI) simultaneously affect economic growth in 14 districts / cities of West Kalimantan Province.

Based on table 7 of the coefficient of determination (R2) test results, the R2 value is 0.751886, which means that the investment variable (PMDN) and the Human Development Index (HDI) can explain the economic growth variable by 75.1886 percent and the remaining 24.8114 percent is influenced by other variables not included in the study.

Discussion

1. Effect of Investment (PMDN) on Economic Growth

Based on the results of data analysis that has been done in this study, it shows that the investment variable (PMDN) has a positive and significant influence on economic growth in 14 districts / cities of West Kalimantan Province. These results are in accordance with the HarrodDomar theory of economic growth which states that if every economy wants to grow rapidly, it should save or invest as much as possible from GDP, the more that can be saved and then invested, the faster the rate of economic growth. Investment is a key factor in economic growth, with increased investment will encourage increased economic growth. This means that if investment (PMDN) in a region increases, it will cause economic growth to increase, assuming *ceteris paribus.* Vice versa, if investment (PMDN) in a region decreases, it will cause a decrease in the level of economic growth in a region.

The increase in investment will increase the production of goods and services in the future. Therefore, investment (PMDN) is very important in economic development which is allocated to development projects and will increase capital in the economy in a region. So that from the additional capital, it will affect the improvement of people's living standards and will make economic growth increase. The increase in the amount of investment in several regions in West Kalimantan province has increased the economic growth of West Kalimantan province. The results of this study are in line with previous research conducted by Kanodia et al. (2024) in India, Owusu- Nantwi & Erickson (2019) in South America, Joshua et al. (2023) in South Africa found that investment has a positive impact on economic growth. However, it is not in line with research conducted by (Afifah et al., 2019; Bayu Windayana & Darsana, 2020; Supratiyoningsih & Yuliarmi, 2022) which found that investment has no effect on economic growth.

2. Effect of Human Development Index (HDI) on Economic Growth

Based on the results of data analysis that has been done in this study, it shows that the human development index (HDI) variable has no effect on economic growth in 14 districts / cities of West Kalimantan Province. This result is not in accordance with the theory of human development put forward by Amartya Sen which emphasizes that individual freedom is the essence of development. Sen states that improved human development through education, health, and income is expected to increase the ability of individuals to contribute to the economy, thus promoting more sustainable economic growth. In the case of West Kalimantan, the increase in HDI may not have been

accompanied by sufficient economic transformation, due to several constraints such as the limitation of suitable employment opportunities or the lack of supporting infrastructure.

In addition, an economic structure that is more dominant in primary sectors such as agriculture, plantations or mining may reduce the relevance of HDI improvements to economic growth, as these sectors tend not to require highly skilled labor. Another factor is inter-regional development inequality, where some regions may experience higher HDI improvements, but other regions still lag behind. This causes the impact of an increase in HDI on economic growth to be uneven across districts/cities. Limited access to quality health facilities and education can also slow down the positive impact of HDI on economic growth.

Thus, although HDI is an important indicator in human development theory, the varying results in the field indicate that other factors such as infrastructure, economic structure, and regional inequality also play a major role in determining the extent to which human development impacts economic growth. The results of this study are in line with previous research conducted (Maulana et al., 2022; Tuasela, 2023; Yusuf et al., 2022) found that the human development index (HDI) has no effect on economic growth. However, it is not in line with research conducted by (Prayitno & Yustie, 2020; Shobri et al., 2022; Yanthi & Sutrisna, 2021) which found that the human development index (HDI) affects economic growth.

V. CONCLUSIONS

Based on the research results, investment (PMDN) has a positive and significant influence on economic growth in 14 districts / cities in West Kalimantan Province. Meanwhile, the human development index (HDI) does not show a significant effect on economic growth. This shows that although human development is important for the economy of a country or region, there are other factors that can affect economic growth such as adequate infrastructure, access to technology, labor quality and economic policies that support investment and equitable distribution of development. In addition, an economic structure that is more dominant in the primary sector, such as agriculture or mining, also has the potential to hinder the positive impact of human development on the economy, as these sectors tend not to require highly skilled labor.

This study has limitations related to the sample coverage which only includes 14 districts/cities in West Kalimantan Province. In addition, this analysis pays less attention to other variables such as infrastructure, access to technology, income inequality, government policies, quality of labor that can also affect the results. Future research is recommended to expand the coverage area and include other variables to gain a more comprehensive understanding of the factors that influence economic growth.

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