THE EFFECT INEQUALITY OF EDUCATION WITH ECONOMIC GROWTH IN NORTH SUMATERA 2010-2014

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Abstract

The Objective Of This Study Is The Effect Inequality Of Education With Economic Growth In North Sumatera. The Data Are Obtained By Applying The Library Study, Where Internet Sites Are Browsed Followed By Document Analysis With The Secondary Sources From The Library The Office Of The Statistic Bureau Of North Sumatera. The Data Are Processed By Applying Regression Analysis. The Data Are Processed By Applying Multiple Regression ANalysis. The Finding Indicate That Inequality Of Education Has A Significant Effect On The Economic Growth In North Sumatera.

Keyword: education, economic growth.

Preliminary

1.1. Introduction

One indicator of the success of a country's development is the rate of economic growth (Arsyad, 2010). This growth reflects the ability of national income increase of a country from time to time. There are three components that affect economic growth, namely (1) capital accumulation, including all new investments in land, physical equipment, and human resources through improvement in health, education and work skills; (2) population growth that ultimately leads to the growth of the workforce; and (3) technological progress (Todaro & Smith, 2011).

The main objective of national economic development is to achieve a prosperous society. Todaro and Smith (2006) define broad development as a whole social system toward a better life or more humane. The success of development is seen as the overall success of a planned effort to improve the quality of human life.

Education is an important factor affecting the development of a country whether in the economic, political, social, cultural and legal. The level and quality of education is crucial to the growth of all Indonesians. But in reality we can see there are still many Indonesian citizens who have not received the education of elementary school.

The Differences in the quality of human resources on the basis of graduation at the level of education for people aged 15 years and over in Indonesia. The problem of educational inequality must be addressed both at the regional and central levels according to the Strategic Plan of the Ministry of National Education of 2010-2014. The inequality of education in Indonesia can be examined from variables that are thought to be related to inequality. These variables are government expenditure on education, gender gap and education expenditure from households.

Various problems arise in relation to regional economic growth and continue to promote the development of regional economic growth concepts. Education gaps and equity of development are a major problem in economic growth, and some even argue that economic growth will not be useful in solving poverty. One of the causes of poverty is arising is the inequality of education
experienced by a region. So the understanding of growth factors of the region and the process of propagation of growth is the most important thing in this paper.

Indonesia's economic growth is relatively high compared to the national economic growth, but the growth is also accompanied by the growing inequality of education between regions. The Development of Multiple Income and Income Aggregates per Capita at Current Prices, 2010-2014.

The Development of Multiple Income and Income Aggregates per Capita at Current Prices, 2010-2014

<table>
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<tr>
<th>Rincian</th>
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<td></td>
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Catatan:
*) Angka sementara
**) Angka sangat sementara

Sumber: Hasil Proyeksi Penduduk Indonesia 2010–2035 (Pertengahan tahun/Juni)
Diolah dari Hasil Sensus, Survei, dan Berbagai Sumber Lainnya

From the data above can be seen that the gross domestic product each year starting in 2010-2014 has increased. It can be seen that from 2010 to 2011 increased 14%, from 2011-2012 increased 10%, from 2012-2013 increased 11%, from year 2013-2014 increased by 10.2%. It means that the increase of gross domestic product each year has increased. Gross national product also increases every year. The increase from 2010-2011 increased by 13.97%, from 2011-2012 has increased by 9.9%, for 2012-2013 has increased by 10.6%, for the year 2013-2014 has increased by 10.3%. For the national income achieved every year from 2010-2011 increased 15.3%, from 2011-2012 increased 9.1%, from 2012-2013 increased 10.4% and from the year 2013-2014 experienced a 10.01% increase. Through the above data, the authors have the title of this study "Analysis of the Inequality of Education For Economic Growth in Indonesia 2010-2014".

1.2. Problem Formulation

Efforts to study the extent of education services in Indonesia aim to improve distribution on the utilization of educational facilities, so that more and more people can attend school. With equitable education it is expected that the average year of community schooling increases,
which ultimately improves the quality of human resources. The objectives of this study were to (1) analyze education inequality in economic growth, (2) to analyze the average school year of education inequality in Indonesia, (3) to analyze the gender impact of education gap.

1.3. Hypotheses

This research proposes several hypotheses: (1) the average length of school with negative correlation to Gini coefficient of education, (2) Gender gap positive and significant relationship with education gini index, (3) Gini Education Index has a negative and significant with an increase in GDP per capita.

1.4. Research Methods

For the purposes of this study, the authors used secondary data obtained from several BPS publications, such as Indonesian Statistics, Indicators of People's Welfare and GRDP. These data include: per capita GRDP per constant 2010-2015 price per province, highest education population and education saved and average school year achievement. Observation of this research was conducted for research data conducted for panel data consisting of cross section data covering 34 provinces and time series in the form of 5 period time 2010,2011,2012,2013,2014. Some studies assess the size of educational inequality using different measures. Birdsall and Londono (1997) and Ram (1990) measured educational inequality through standard deviations from school duration. The relationships among economic variables are in fact many dynamic. Panel data analysis can be used in dynamic models in relation to dynamic adjustment analysis.

2.1. THEORY OF LITERATURE

2.1.1. The means of Inequality

According to Andrinof A. Chaniago; Inequality is the fruit of development that focuses only on the economic aspect and forgets the social aspect. According to Budi Winarno; inequality is the result of the failure of development in the era of globalization to meet the physical and psychological needs of citizens.

2.1.2. The Means of Education.

Ki Hajar Dewantara is the father of Education Indonesia has its own definition of education. According to him, education is the guidance of living in the growth of children with the aim of guiding all the forces or natural resources in the children so that they can achieve safety and happiness as human beings and members of the community.

2.1.3. Factors Causing Inequality of Education

Inequality in society is influenced by factors:

1. Demographic Condition

Demography: the study of population and the factors that influence it. Demographic conditions between communities with each other have differences. Differences between communities with each other are related to: population, population composition, and population distribution.

2. Educational Conditions

Education is a social elevator, an effective vertical social mobility channel, which is a necessity for everyone. Education is the key to development, especially the development of human resources. There are striking differences in education in the regions and cities, such as:
Children in remote areas have a high learning spirit despite the lack of facilities. Children living in cities with sufficient educational facilities, mostly affected by poor social environment so that the spirit of learning is lacking. These differences lead to social inequality. Such injustice can be seen from the facilities, the quality of labor, the quality of education, etc.

3. Health Conditions
Social inequality can be caused by uneven health facilities in each region, inadequate health coverage, inadequate health services, etc. This causes the level of health and welfare in different communities with other communities, so it can lead to inequality.

4. Economic Conditions
Economic factors are often regarded as the main cause of the emergence of social inequality. This imbalance arises because of uneven economic development. This inequality of development is due to differences between one region and another. Seen from the existence of developed regions and areas that are left behind. The emergence of imbalances seen from economic factors occurs due to differences in resource ownership and production factors. Areas with resources and factors of production, especially those with capital stocks, will earn more incomes than those with few resources.

5. Government Expenditures in Education.
The existence of government spending in education is seen as a means of government investment. When there is inequality in education, then government investment becomes the key to minimize the gap.

6. Gender Gap
Gender gap indicates a gap between women and men in obtaining the benefits of education, employment and service (Nugroho, 2011). Research in 85 research countries (Thomas, et al., 2000) shows that gender gap is positively associated with education education disparities that is reflected in the index of education. Decreasing the gender gap in the education sector is necessary in overcoming inequality education. Digdowiseiso (2010) and Bustomi (2012) stated that the magnitude of different literacy rates between the genders has a significant and positive effect on the high of the gini index. The wider the gender gap, the higher the inequality of education.

7. Government Subsidies
Government spending on education funding is also allocated to all schools. The government aid fund is issued 20% of government expenditure funds. In 2010, government spending was 344,612.9 billion rupiahs, in 2011 government spending 410,880.9 billion, in 2012 government spending 477,148.9 billion, in 2013 increased government spending 528,630.2 billion rupiah.

2.2. Economic growth
The concept of economic growth is a description of the impact of government policies that are implemented especially in the economic field. Economic growth is a growth rate formed from various sectors that indirectly describe the rate of economic growth that occurred. For regions, this indicator is important to know the success of development in the future. Growth is a key measure of the success of development, and the economic growth outcomes can also be enjoyed by the lowest-bottomed layers of society. To see the fluctuations in economic growth in real terms from year to year is reflected through the presentation of GRDP on the basis of consumer prices on a regular basis that positive growth indicates an increase in economic growth, otherwise if the negative value indicates a decrease in growth is usually accompanied by natural resource processes both natural and human and state funds.

Kuznets (1966) defines economic growth as a long-term increase in the ability of a country to provide a lot of goods to its inhabitants. This capability increases according to
Economic growth (economic growth) is also a change in the value of economic activity from year to year for another period by taking the average in the same time, it can be said that the rate of economic growth should be compared with the national income level from year to year or can be formulated as follows:

$$9t = \frac{\Delta GNP}{GNP}$$

or

$$9t = \frac{GNPt - GNPT - 1}{GNPt - 1}$$

3. Results And Discussion

The educational inequality as measured by the index of educational gini shows how inequality education in Indonesia. From the results of the study showed that the inequality of education in Indonesia is at a moderate inequality of 0.40

Estimation Result of Research Model

One of the models of this study using econometrics study is panel data which where taken because of using the time sequence (Ariefianto, 2012). Where the result of estimation with model using spss 18 software shows the coefficient of determination ($R^2$) in first regression model with education inequality variable shows value 0.4 means have value 40% variable of educational inequality tested according to government expenditure, school length and gender gap. While the remaining 60% is influenced by other factors that are not included in the calculation model.

3. Conclusions and recommendations

3.1. Conclusion

Based on the results of research that has been done then can diambik conclusion as follows: Inequality in Indonesia is at a moderate level of 0.40 average. Variable levels of economic growth have a positive and significant relationship to educational inequality on the degree of confidence $\alpha = 10\%$. Population and demography have positive correlation to education imbalance in degree of trust $\alpha = 5\%$ while government expenditure variable, government subsidy memo having negative signifika relation to education inequality.

3.2. Suggestion

1. Government should be able to minimize the inequality of education in Indonesia
2. The government should provide training and knowledge about the importance of education to families in Indonesia.
3. The government should pay attention to the provinces that are lagging behind its Education in Indonesia.

Daftar Pustaka


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________________________, Statistik Angka Partisipatif Sekolah, beberapa penerbitan.