Analysis of the Influence of Regional Independency, Capital Expenditure Levels and Economic Growth on the Human Development Index of Lampung Province 2015-2022

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Abstract. This study investigates how regional independence, capital expenditure, and economic growth impact the Human Development Index (HDI) in Lampung Province from 2015 to 2022. Employing panel data regression, the research utilizes data sourced from the Central Statistics Agency (BPS) and budget reports from the Ministry of Finance. The analysis focuses on quantitative data, including HDI, levels of regional independence, capital expenditure, and Gross Regional Domestic Product (GRDP) growth rates across districts and cities in Lampung Province during the study period. Data processing was conducted using Eviews-10 software. Findings reveal that regional independence and capital expenditure have a significant positive influence on HDI. Although economic growth positively affects HDI, the impact is not statistically significant. Collectively, the independent variables significantly influence HDI. These results highlight the importance of enhancing regional independence and optimizing capital expenditures to improve human development outcomes.

Keywords: Level Of Regional Independence, Level Of Capital Expenditures, GRDP Growth Rate, Human Development Index.

1 Introduction

National development is a sustainable effort to develop various aspects of the life of the community, nation, and state in order to achieve National Goals. In accordance with the mandate of the Preamble to the 1945 Constitution, the National Goals include the protection of all Indonesian people and its territory, the improvement of general welfare, the enhancement of education quality, and participation in realizing world order based on independence, eternal peace, social justice, and national ideals. Overall, national development aims to advance the Indonesian people and nation as a whole. [1].

The current development paradigm emphasizes economic growth, measured through human development, which is reflected in the quality of life of individuals. The Human Development Index (HDI) is an important indicator for assessing the success of efforts to improve the quality of life of the community, as well as for determining the development ranking of a region or country based on factors such as life expectancy, education level, and living

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standards. In addition to evaluating government performance, the HDI also plays a role in the allocation of general funds. Therefore, Indonesia's HDI is considered highly strategic data. [2].

On a national scale, Lampung Province's HDI achievement is still below the average for provinces in Indonesia. Lampung Province ranks 11th lowest in 2023 with an HDI value of 71.15, while Indonesia's average HDI value in 2023 is 73.55.

Table 1. District/City Human Development Index in Lampung Province 2019-2022

District/City	**Human Development Index**			
	2019	**2020**	**2021**	**2022**
Lampung Barat	67,50	70,74	70,55	71,01
Tanggamus	66,37	68,58	68,79	69,32
Lampung Selatan	68,22	70,36	70,48	70,95
Lampung Timur	69,34	70,62	70,91	71,82
Lampung Tengah	70,04	71,97	72,04	72,59
Lampung Utara	67,63	69,58	69,78	70,19
Way Kanan	67,19	69,33	69,46	69,92
Tulang Bawang	68,23	70,07	70,28	71,08
Pesawaran	65,75	67,70	68,04	68,55
Pringsewu	69,97	72,04	72,14	72,57
Mesuji	63,52	65,83	66,24	67,12
Tulang Bawang Barat	65,93	67,51	67,76	68,70
Pesisir Barat	63,79	68,43	68,79	69,58
Kota Bandar Lampung	77,33	78,78	78,93	79,33
Kota Metro	76,77	78,69	78,99	79,38
Lampung	69,57	71,04	71,25	71,79

Source: Central Statistics Agency, 2024

Of the 15 districts/cities in Lampung Province, there are 6 districts that are still in the medium category of human development index status with a value of 60≤HDI≤70, while there are 9 districts/cities that have the status of the high human development index category with values ranging from 70 ≤HDI≤80. This proves that the government needs to increase the value of the human development index. The city/district development index in Lampung Province indicates inequality which will cause disparities between regions.

Regional governments have responsibility for budgeting public services, namely health, public welfare and education. In budgeting all of this, regional governments are very dependent on regional revenue receipts which originate from regional original income, transfer funds and other funds. The government usually uses this income is used for the prosperity of the community and of course this will happen if distribution only focuses on channeling funds that are appropriated only for the benefit of the community which results in the welfare of the community being prosperous [3].Locally-generated revenue as one of the indicators in measuring the independence of a region from the central government which is related to achieving regional autonomy. The regional financial independence ratio illustrates the extent to which the local government can finance its activities and governmental affairs independently [4].

Table 2. Lampung Province Regional Dependency Level 2019-2022

Year	Income	PAD	Level Of Independence
2019	Rp. 7.266.993.439	Rp. 3.018.067.291	42%
2020	Rp. 7.019.319.472	Rp. 2.842.286.479	40%
2021	Rp. 7.469.414.380	Rp. 3.249.614.882	44%
2022	Rp. 6.962.148.691	Rp. 3.678.302.295	53%

Source: Central Statistics Agency, 2024

Based on Table 2, it can be seen that the financial independence level of Lampung Province in 2019 was recorded at 42%, while in 2020 it decreased to 40%. This decline was caused by the Covid-19 pandemic, which resulted in a decrease in Local Revenue (PAD) that year. However, in 2021, PAD increased, leading to a 4% rise in the regional independence level in Lampung compared to 2020, reaching 44% in 2021. In 2020, there was a significant increase in regional independence, reflected in an independence rate of 53%. Nevertheless, the regional independence level in Lampung Province during the 2019-2022 period remained below 50%, and this indicator is still categorized as Low-Medium.

Government policies, which include the allocation of funds through capital expenditure in the regional budget (APBD), are expected to encourage the improvement of public welfare. Capital expenditure refers to the acquisition of fixed assets and other assets that are intended to provide long-term benefits over more than one accounting period [5].

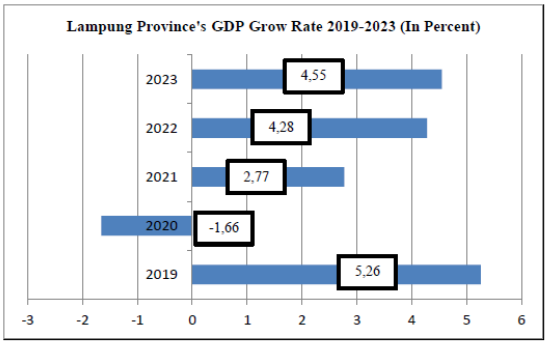
Tabel 3. Lampung Province Capital Expenditure Level 2019-2023

Year	Capital Expenditure	Total Regional Expenditure	Capital Expenditure Level
2019	Rp. 1.014.037.524	Rp. 7.058.713.889	14%
2020	Rp. 752.528.210	Rp. 6.967.358.448	11%
2021	Rp. 849.692.115	Rp. 7.097.934.213	12%
2022	Rp. 1.025.325.884	Rp. 6.911.575.790	15%

Source: Central Statistics Agency, 2024

Lampung province's capital expenditure allocation has fluctuated. And the capital expenditure figure is still below 20%, which shows that Lampung province's regional expenditure is still spent on personnel expenditure compared to capital/development expenditure. This indicates that the regional government of Lampung Province has not fully optimized its efforts to improve the welfare of its citizens, as seen from the fluctuations in capital expenditure realization.

Economic growth refers to the increase in economic activities that affect the rise in the production of goods and services, which in turn improves the welfare of the community. Economic growth at the regional level is measured using the Regional Gross Domestic Product (PDRB). PDRB represents the total value of goods and services produced from all economic activities that occur in the region. The rate of economic growth is measured by the PDRB adjusted for constant 2010 prices.



Source: Central Statistics Agency, 2024

Fig. 1. Lampung Province's GDP Grow Rate 2019-2023

Graph 1 shows that economic growth in Lampung province, as seen from the GDP growth rate, experiences fluctuations every year. In 2019, the GDP growth rate in Lampung Province showed negative figures due to the impact of the Covid-19 pandemic. As time goes by, in 2023 the central statistics agency noted that in 2023, Lampung province's economic growth grew by 4.55% when compared to 2022. This figure is the highest economic growth in Lampung province since the Covid-19 pandemic.

2 Literature Review

2.1. Human Development Index

The core objective of human development is to expand access and choices available to individuals, enabling them to lead meaningful and productive lives. The main focus of human development is to strengthen individuals' ability to access essential resources such as education, healthcare services, and economic opportunities, which ultimately contribute to improving their quality of life. The Human Development Index (HDI) is an internationally recognized tool for assessing the success of efforts aimed at enhancing human well-being. HDI includes three main aspects: a long and healthy life, access to education, and a decent standard of living, providing a comprehensive view of development progress. [5]. The Human Development Index (HDI) was introduced by the United Nations Development Programme (UNDP) in 1990 as a more comprehensive alternative to traditional economic measures such as Gross Domestic Product (GDP). In 2010, the HDI calculation method was updated with a more modern statistical approach to improve accuracy and alignment with more relevant development priorities. This update included changes to the indicators used as well as adjustments in the aggregation method to broaden its application across different countries and conditions. People are the true wealth of a nation, and therefore, they should be the center of development. The success of development is not only measured by high economic growth but also by improvements in human quality of life [3]. In Indonesia, the Central Statistics Agency (BPS) adopted this updated calculation method in 2014, marking a significant step in aligning the country's development monitoring processes with international standards. To maintain consistency and improve the reliability of historical comparisons, BPS also performed backcasting, recalculating HDI values from 2010 onward using the revised methodology. This approach ensures that policymakers and researchers can analyze trends in human development with greater accuracy, supporting the formulation of evidence-based policies aimed at addressing disparities and promoting equitable growth across regions.

Human development can be further explained through several dimensions, namely: 1. The economic dimension, reflected in a decent standard of living and measured by the real per capita income indicator; 2. The social dimension, seen in the level of education and measured by literacy rates and average years of schooling; and 3. The health dimension, manifested in a long and healthy life, with the indicator of life expectancy at birth [6].

HDI tries to rank on a scale of 0 (lowest level of human development) to 100 (highest level of development). The HDI criteria for a region are as follows.

Tabel 4. Human Development Index (HDI) Assessment Criteria

HDI Value	**Regional Capabilities**
50	Low
50 – 65	Lower Secondary
66 – 80	Medium High
> 80	High

Source: Central Statistics Agency, 2024

The human development index (HDI) has several benefits, namely as follows [7]:

1. HDI is a vital measurement tool to assess the extent to which efforts to improve human quality of life have been successful.
2. HDI can also be used to determine the position or level of development progress in a region or country.

2.2. Level Of Regional Independence

Fiscal autonomy or regional financial independence describes the extent to which a region is able to finance its governmental activities without relying on external resources [8]. Regional financial independence can be defined as the ability of local governments to finance their own governmental activities, development, and public services, relying on taxes and levies paid by residents as the source of regional income. The comparison between local revenue and income from other sources, such as assistance from the central government and loans, reflects the level of regional financial independence [9].

The level of independence can be calculated using a comparison of the ratio between original regional income (PAD) and total regional income.

$$Level\ Of\ Regional\ Indepence : \frac{PAD}{Total\ Income}\ x\ 100\% \tag{1}$$

The financial independence ratio of a regional government affects the nature of the relationship between the central government and regional governments in managing and implementing financial matters.

2.3. Capital Expenditure

Capital expenditure is government budget spending aimed at acquiring fixed assets and other assets that provide long-term benefits. It can also be defined as the budget allocated for obtaining fixed assets and other assets that offer benefits over multiple accounting periods. Some examples of capital expenditure include the purchase of land, construction of buildings and infrastructure, acquisition of equipment, and the acquisition of intangible assets [11].

According to Article 53 of the Minister of Home Affairs Regulation No. 13 of 2006 regarding Regional Financial Management Guidelines, capital expenditure is defined as the budget in the Regional Budget (APBD) used to acquire, build, or develop fixed assets that have a useful life of more than 12 months. These assets include, but are not limited to, land, machinery, equipment, buildings, roads, irrigation systems, networks, and other infrastructure. The budget covers the acquisition or construction costs of these assets at their purchase or development value. However, it explicitly excludes expenditures such as honorariums for procurement committees or administrative costs associated with asset acquisition and development, as these are categorized under personnel expenses or goods and services expenditures. [11].

The capital expenditure compatibility ratio is calculated by comparing the actual total capital expenditure to the total regional expenditure in percentage form. Simply put, the capital expenditure compatibility ratio can be explained as follows [12]:

$$Capital\ Expenditure\ Level : \frac{Capital\ Expenditure}{Total\ Regional\ Expenditure}\ x\ 100\% \qquad (2)$$

2.4. Economic Growth

Economic growth is a slow and steady long-term change that occurs through increases in savings and population. (bomb economic growth). Economic growth is defined as an increase in GDP regardless of whether the increase is greater or smaller than the population growth rate or whether changes in the economic structure occur or not [13].

Economic growth is one of the parameters used to assess the economic success of a country. In the context of economic activity, economic growth reflects progress in the physical sectors of the economy. Some forms of economic progress that occur in a country include the increase in the production of goods and services as well as infrastructure development. These are generally measured based on the growth of real national income achieved by the country over a specific period of time [14].

The factors that influence the economic growth of a society are as follows [13]:

1. Capital Accumulation
   Capital accumulation includes new investments in the form of land, equipment, and human resources. This process occurs when a portion of the current income is set aside and invested to increase future returns.
2. Population Growth
   Population growth and factors related to the increase in the labor force are considered positive elements that can drive economic growth. In other words, the larger the workforce, the more production factors are available, while a larger population will also increase the potential for the domestic market.

3. Technology advances
   Economists argue that technological advancement is a key factor supporting economic growth. Simply put, technological progress occurs through the discovery of new methods and improvements to old ways of carrying out traditional tasks, such as farming, making clothes, or building houses.

Economic growth can be assessed through the Gross Regional Domestic Product (GRDP), which is calculated based on constant prices (ADHK).

$$Economic\ Growth : \frac{GDP1 - GDP0}{GDP0}\ x\ 100\% \tag{3}$$

2.5. Hypothesis

1. There is a relationship between the level of financial dependence of the region and the Human Development Index in Lampung Province.
2. There is a relationship between the level of capital expenditure and the Human Development Index in Lampung Province.
3. There is a relationship between ec onomic growth and the Human Development Index in Lampung Province.
4. There is a relationship between the level of regional financial dependence, capital expenditure, and economic growth simultaneously with the Human Development Index in Lampung Province.

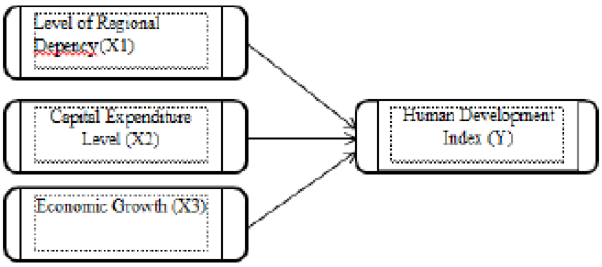


Fig. 2. Research Framework

3 Research Method

This study uses panel data regression, with data sourced from the Central Statistics Agency (BPS) of Indonesia and the Regional Budget (APBD) data published by the Ministry of Finance. The study is quantitative, utilizing data on the Human Development Index, Regional Independence Level, Capital Expenditure Level, and the GRDP Growth Rate of districts/cities in Lampung Province for the period 2015-2022. Data processing was carried out using the Eviews-10 application. Below is the model equation applied in this study :

$$Y_{it} = \alpha + \beta_1 X_{1it} + \beta_2 X_{2it} + \beta_3 X_{3it} + \varepsilon \tag{4}$$

Information :

Y = Human Development Index
α = Constant
β = Regression Coefficient
X_1 = Regional Dependency Level
X_2 = Capital Expenditure Level
X_3 = GDP Growth Rate
i = *Cross Section* District/City of Lampung Province
t = *Time Series* 2015-2022
ε = *error term*

There are three types of estimation models in panel data, namely the Fixed Effect Model, Random Effect Model, and Common Effect Model. Before conducting a series of data tests in panel data regression, it is important to first determine the most appropriate model using the Lagrange Multiplier Test, Hausman Test, and Chow Test [15] .

3.1. Classic Assumption Test

A well-conducted study is one that meets the BLUE (Best Linear Unbiased Estimator) criteria. To determine if the study satisfies the BLUE standards, classical assumption tests are performed, including the Normality Test to check if the data (residuals) are normally distributed, the Heteroscedasticity Test to assess if there are deviations from the assumption of constant variance, followed by Multicollinearity Detection to identify any linear relationships among independent variables, and the Autocorrelation Test to determine whether there is a correlation between errors in period x and errors in period x-1 in the regression model [16].

3.2. Significance Test

To analyze the research results, three types of tests will be conducted: the T-test, F-test, and R-squared test. Each test serves a different purpose. The T-test is used to measure the extent to which independent variables affect the dependent variable. The F-test is used to evaluate the simultaneous effect of the independent variables on the dependent variable, while the R-squared test is used to assess how well the model explains the variation in the dependent variable. [17].

4 Discussion

Table 5. Selected Model Fixed Effect Model

Variable	Coefficient	Std. Error	t-Statistic	Prob.
C	68.36158	0.610473	111.9813	0.0000
RID (X1)	0.178560	0.045163	0.953704	0.0001
CE (X2)	0.084033	0.017836	-4.711382	0.0000
GDP (X3)	0.070665	0.041510	1.702336	0.0917
	Effects Specification			
Cross-section fixed (dummy variables)				

Variable	Coefficient	Std. Error	t-Statistic	Prob.
R-squared	0.961836	Mean dependent var		67.89767
Adjusted R-squared	0.955475	S.D. dependent var		4.115433
S.E. of regression	0.868391	Akaike info criterion		2.693131
Sum squared resid	76.91844	Schwarz criterion		3.111255
Log likelihood	-143.5879	Hannan-Quinn criter.		2.862933
F-statistic	151.2168	Durbin-Watson stat		1.879153
Prob(F-statistic)	0.000000			

After conducting model estimation tests using the Chow and Hausman tests, the most suitable model for this study is the Fixed Effect Model (FEM). The R-squared value of 0.961836 indicates that the Regional Independence Level, Capital Expenditure Level, and GRDP Growth Rate in districts/cities in Lampung Province collectively influence the Human Development Index by 96.18%, while the remaining 3.82% is influenced by other factors not covered in this study. Based on these findings, the research equation obtained is as follows:

$$IPM = 68.361 + 0.178RID_{it} + 0.084CE_{it} + 0.070GDP_{it} + \varepsilon_{it} \tag{5}$$

Based on the regression model equation above, the constant value obtained is 68.361, which means that if the independent variables in this study—Regional Independence, Capital Expenditure, and GRDP Growth—remain unchanged, the Human Development Index will increase by 68.36%. Furthermore, the value for the Regional Independence variable is 0.17, indicating that if Regional Independence increases by 1%, the Human Development Index will increase by 17%, assuming other variables remain constant. For the Capital Expenditure variable, the value of 0.084 means that a 1% increase in capital expenditure will result in a 8.4% increase in the Human Development Index, assuming other variables remain unchanged. Lastly, the value for GRDP Growth of 0.07 indicates that if the GRDP growth rate increases by 1%, the Human Development Index will also increase by 7%, assuming other conditions remain constant.

Based on the research findings, the Regional Independence variable shows a t-statistic value of 0.95 with a t-table value of 1.98 at a significance level of 0.025% and 116 degrees of freedom (df), with a probability value smaller than the alpha value (0.05). This allows the conclusion that the regional independence variable has a significant positive effect on the Human Development Index. The Capital Expenditure variable shows a t-statistic value of -4.7 and a probability value smaller than alpha, indicating that this variable also has a significant positive effect on the Human Development Index. Meanwhile, the GRDP Growth variable has a t-statistic value of 1.70, which is smaller than the t-table value, but with a probability value of 0.097, which is greater than 0.05. Therefore, although GRDP growth has a positive effect on the Human Development Index, this effect is not significant. Furthermore, testing the simultaneous effect of the independent variables on the Human Development Index shows a significant effect with an f-table value of 3.22 and an f-statistic value of 151.21.

The research results show that regional Independence has a significant positive effect on the human development index. Original Local Government Revenue is income obtained by the region based on regional regulations in accordance with applicable laws and regulations. The comparison of Original Local Government Revenue (OLGR) to total income shows the level of independence of a region. The higher the ratio of OLGR to total income, the higher the level of independence of a region [18], which means that more regional spending is funded from the region's original income. To assess regional independence, the following assessment is used :

Table 6. Regional Independency Assessment Criteria

Regional Independency	Cattegorize
0,00 - 10,00	Very Poor
10,01 – 20,00	Poor
20,01 – 30,00	Average
30,01-40,00	Satisfactory
40,01-50,00	Good
>50,00	Excellent

Regional independence reflects the capacity of local governments to optimize Regional Original Revenue (PAD) through taxes, regional levies, and other sources. Regional development can be achieved if this independence is implemented effectively. Based on the principles of fiscal federalism and the implementation of fiscal decentralization policies in this country, it is expected that regions can manage and develop their areas independently by utilizing the potential they possess.[19]. The level of Regional Financial Independence in districts/cities in Lampung Province is still very low, this can be seen through the level of independence of districts/cities in Lampung Province in 2022 :

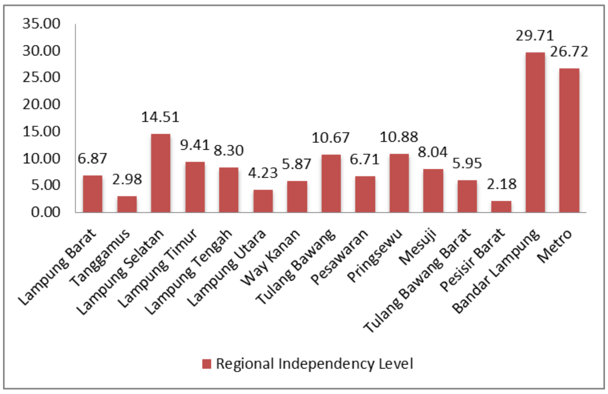


Fig. 2. Regional Independency Level in Lampung Province 2022

In 2022, of the 15 districts/cities in Lampung Province, 10 districts were classified as having a low level of regional financial independence. The majority of development, governance, and public services are still not funded by regional original revenue. Meanwhile, two cities in Lampung Province, Bandar Lampung and Metro, have a moderate level of regional financial independence. This indicates that the 15 districts/cities in Lampung Province have not fully optimized the potential sources of revenue available to them. The higher the level of regional financial independence, the greater the regional original revenue generated, which in turn will enhance the region's ability to finance public service needs, such as improving healthcare facilities, education, and public amenities, thereby providing direct benefits to the community and improving their well-being.

Research conducted by Fernandes and Laila [20] , The statement that the level of regional financial independence has a positive effect on the Human Development Index aligns with the findings of this study, which also shows a positive relationship between the level of regional financial independence and the Human Development Index in the region. The higher the regional financial independence ratio, the higher the Human Development Index in that area. This is due to the increase in the regional financial independence ratio, which leads to a rise in Regional Original Revenue (PAD). An increase in the region's OLGR (Own Local Government Revenue) indicates that the region has successfully optimized its resource potential and maximized revenue from taxes and regional levies, thereby improving development and public services, which ultimately enhances the well-being of the community and the Human Development Index in the region.

The components of regional expenditure in the APBD are divided into four main parts: expenditure for employees, capital expenditure, goods and services expenditure, and other expenditures [18]. Capital expenditure refers to budgetary spending aimed at acquiring fixed assets and other assets that provide benefits for more than one accounting period. This type of capital expenditure includes the purchase of land, buildings, equipment, and intangible assets. The level of capital expenditure reflects the comparison between capital expenditure in a given APBD period and the total expenditure in the same period. This study found that the level of capital expenditure has a positive and significant impact on the Human Development Index. This indicates that the higher the capital expenditure in a region, the higher the Human Development Index in that region. These findings are consistent with the research conducted by Dhia Mufidah, which also shows a positive and significant effect of the capital expenditure ratio on the Human Development Index [21]. The level of capital expenditure can provide an overview of a region's development priorities. The greater the level of capital expenditure or the proportion of capital expenditure to total APBD expenditure, the greater the local government's focus on allocating resources to long-term investments which are expected to improve infrastructure and public services, as well as support long-term economic growth.

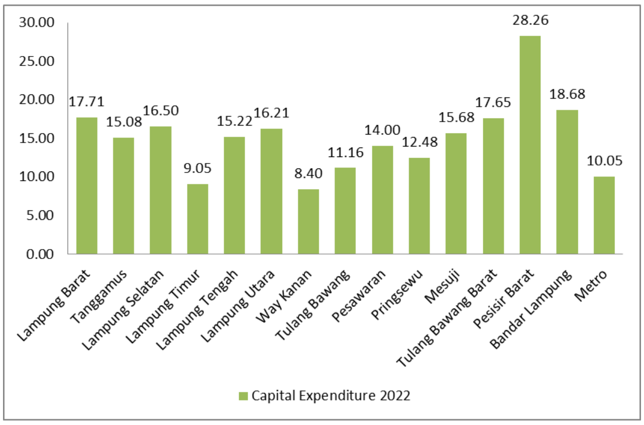


Fig 3. Capital Expenditure Level in Lampung Province 2022

There is no universally accepted standard for the level of capital expenditure in a region. However, a commonly cited figure in the literature ranges between 15% and 25% of the total APBD for capital expenditure. Many economists and policymakers advocate for governments to allocate a substantial portion to capital expenditure because investments in infrastructure and development projects can yield long-term positive impacts on economic growth, community welfare, and regional competitiveness. In 2022, the average level of capital expenditure across fifteen city districts in Lampung province remains below 20%. This indicates that the regional government of Lampung province has not yet prioritized long-term development initiatives.

5 Conclusion

This study provides a comprehensive analysis of the determinants of the human development index (HDI) in Lampung Province, specifically examining the roles of regional independence, capital expenditure, and economic growth over the period 2015-2022. The results demonstrate that regional independence and capital expenditure significantly and positively influence HDI, reflecting the crucial role of fiscal autonomy and effective budgetary allocations in promoting human development. While economic growth also shows a positive relationship with HDI, its impact is not statistically significant, indicating that growth alone, without equitable distribution and targeted investment, may not directly translate into improvments in human welfare.

Regional Independece emerged as critical factor positively impacting HDI. This underscores the importance of strengthening locally generated revenue sources, such as regional taxes and levies, to enhance financial autonomy. Increased regional independence reduces dependency on central government transfer and provides local governments with the greaterflexibility to address specific developmental needs. However, the study also revealed that many districts in Lampung Province remain in the low to medium categories of fiscal independence, indicating limited financial self – reliance and the need for further reforms to optimize local revenue streams.

Capital expenditure has a direct and significant positive effect on HDI highlighting its impotamce in improving infrastructure, public services, and long-term community welfare. Dispitethis, the allocation for capital expenditure in Lampung Province hass remainedbelow 20% of total regional expenditure, which is considered suboptimal for driving sustainable development. This finding suggests that a reallocation of budgetary priorities, with an increased focus on a long-term investment such as infrastructer, education, and healthcare facilities, could yield substantial benefits for human development.

Economic growth contributes positively to HDI, its effect was found to be statistically insignificant. This result implies that economic expansion alone does not guarantee an improvement in human development unless accompanied by policies that ensure equitable income distribution and direct benefits to the population. Growth needs to be inclusive and complemented by targeted investments in key sectors such as education, healthcare, and social welfare to maximize is impact on HDI

The findings of ths study have a impotant implications for policymakers and stakeholders in Lampung Province. Increasing the proportion of locally generated revenue is crucial for fostering financial independence. Local governments must develop strategies to maximize their revenue potential, such as improving tax collection systems, exploring alternative revenue sources, and enhancing public awareness of the importance of local contribution to development. Greater emphasis should be placed on allocating funds for capital expenditure within regional budgets. Prioritizing investments in infrastructure, education, healthcare, and other public goods is essential for addressing the development needs of communities and ensuring sustainable progress. Efforts should be made to ensure that economic growth benefits all segments of society, particularly marginalized and underserved population. This includes implementing policies to reduce income inequality, enhance employment opportunities, and promote acces to basic services.

Despite progress in some area, significant disparities in HDI persist across the districts and citis of Lampung Province. Several regions remain categorized in the medium development range, highlighting the unequal distribution of development outcomes. Tackling these disparities requires coordinated effort to stremgthen inter-regional cooperation and resource-sharing mechanism, target underdeveloped areas with tailored intervetions to addres their specific challenges, improve governance and administrative efficiency to ensure that development programs are effectively implemented and reach the intended beneficiaries.

In conclusion, the findings of this study emphasize the critical role of regional independence and capital expenditure in advancing human development. However, achieving sustainable and equitable development requires a multifaceted approach that combines fiscal reforms, targeted investments, and inclusive economic policies. Local governments in Lampung Province must prioritize the optimization of revenue generation, the efficient allocation of resources, and the equitable distribution of development benefits. By adopting these strategies, the province can address existing disparities, enhance its HDI, and contribute to the broader goals of national development. Ultimately, sustained collaboration among policymakers, stakeholders, and communities will be key to achieving these objectives and fostering a more prosperous and equitable future for all residents of Lampung Province.

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