ABSTRACT

Welfare is one of the development goals of a nation. This study aims to determine the factors that influence the welfare in Indonesia. To measure welfare an index is used, namely the Human Development Index (HDI). This study uses cross sectional data from the 16 poorest provinces in Indonesia and time series data from 2012-2021. The variables used in this study as factors that determine welfare are poverty, minimum wages, and regional revenue. The analytical tool used in this study is Panel Data regression with a Fixed effect model by using Eviews10 software. From the results of the analysis, it can be concluded that poverty has a negative effect on welfare, while minimum wages and regional revenue have a positive effect on welfare. This study provides information on the welfare condition of the Indonesian people as a basis for assessing development. Government economic policies need to be improved to reduce poverty and establish development programs to create a prosperous society.

Keywords: Welfare, Human Development Index, Poverty, Minimum Wages, Regional Revenue