PERFORMANCE SHOPPING HEALTH EXPENDITURE OF EDUCATION AND SHOPPING INFRASTRUCTURE OF WELFARE SOCIETY THROUGH ECONOMIC GROWTH IN THE DISTRICT / CITY IN THE PROVINCE MALUKU

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ABSTRACT

Expenditure performance in health, education, and infrastructure can be used to encourage and improve the welfare of society through economic growth. Economic growth is driven by increased government spending on public services and technology development to achieve better public welfare.The purpose of the study was to analyze (1) the effect of simultaneous and partial health, education and infrastructure spending on people's welfare in districts/cities in Maluku Province, (2) to analyze the economic growth can mediate the relationship between health, education and infrastructure spending on people's welfare in the Maluku Province. This research is a quantitative research using*path analysis*.The study results showed that (1) spending on health and education directly has a significant effect on people's welfare in districts/cities in Maluku Province. In contrast, direct infrastructure spending has an insignificant effect on community welfare in districts/cities in Maluku Province. Therefore, natural economic growth has an insignificant effect on people's welfare in districts/cities in Maluku province. (2) Government spending, namely health and infrastructure spending, indirectly has an insignificant effect on economic growth, while education spending indirectly has a significant influence on economic growth in districts/cities in Maluku province. Thus, health, education, and infrastructure spending indirectly through economic growth have an insignificant effect on social welfare; this shows that the variable economic growth is not an excellent*intervening* variable for the health, education, and infrastructure spending variable on the welfare of the district/city community in Maluku province.

Keywords: *economic growth,education spending, health spending, infrastructure spending,public welfare.*

1. INTRODUCTION

The success of the development is seen through the government's success in equalizing the economy and preventing inequality in their respective regions. However, efforts to increase economic growth are impossible to achieve if there is no availability of adequate infrastructure. Therefore, it concludes that the infrastructure is a crucial basis or basis for economic development. Furthermore, infrastructure has proven to be an instrument for poverty reduction, opening up isolated areas and narrowing the gap between regions.

Van Den Berg (2005) offers a measurement of the achievement of community economic development goals that focus more on describing the level of human progress (*Human Development*) or what is commonly called the Human Development Index. Several growth models have been developed to ensure the implementation of human development, especially in direct investment to human capital. The neo-classical model generally emphasizes the provision of labor and technological change in the process of economic growth, which later develops into a *human capital model* in economic growth.

Economic growth is driven by increased government spending on public services and technology development to achieve better public welfare. The importance of the government's role in the economy through fiscal policy can be explained that when economic performance deteriorates and investment declines, economic activity slows down, so the government must stabilize the level of investment. The government should borrow money to cover the budget deficit and participate in public investments, such as building roads, new bridges, building schools to improve education, and providing health insurance for the community to realize the people's welfare.

Maluku Province is rich in potential natural resources and biological resources both on land and at sea. However, the utilization of natural resources has not been appropriately managed, due to various obstacles, such as human resource and infrastructure problems in supporting the processing and development of these natural resources.Let's look at the development of economic growth in Maluku Province Regency/City during the 2013-2018 period. There is a reasonably significant disparity in economic growth between Regency/City in Maluku Province. In general, the economic growth of Maluku Province shows a moderate trend and is in the same range as the national economic growth. As an archipelago located in the eastern part of Indonesia, Maluku Province has the potential of abundant natural resources. This potential is expected to be maximally empowered to improve the regional economy. Economic growth as a target to be achieved by the Maluku Provincial Government must increase income and reduce poverty levels to improve people's welfare. During the 2013-2016 period, Maluku's economic performance fluctuated with the rate of economic growth in 2015, which decreased from the previous year. Then in 2018, the economic growth rate of the Maluku province increased by 5.94%.

The local governments are always encouraged to increase the allocation of spending in the APBD continuously to improve people's welfare,. Through an adequate allocation of education, health, and infrastructure spending, will create employment opportunities for the community through development activity programs implemented every year, such as through the development of labor-intensive rural and urban infrastructure. The district/city APBD in Maluku province, in 2013-2016, continued to increase, but in 2017 it decreased again due to a reduction in Revenue Sharing Funds from the Central Government. The increase in spending in 2013-2016 and the decline in 2017 directly affected the allocation of education, health, and infrastructure.

Regional Expenditures are focused on capital expenditures where capital expenditure is a component of direct expenditure in the government budget that produces *output* in fixed assets that directly contact public services in improving people's welfare (such as spending on education, health, and infrastructure).The allocation of spending on health, education, and infrastructure is smallerthan regional spending is because the allocation is more significant for routine apparatus expenditures to finance the wheels of government. However, it is hoped that spending on education, health, and infrastructure will still finance local government programs to improve the economy, which has an impact on increasing regional economic growth and increasing community welfare. Because the development of thinking about development no longer only places monetary value in describing the level of people's welfare, such as an increase in per capita, but has grown to include non-economic measurements. Todaro and Smith (2003) and Van den Berg (2005) almost simultaneously offer measurement of the achievement of economic development goals in more abstract matters related to social, cultural, and economic aspects of society that focus more on the level of progress of human development (development).*Human development*, commonly called the Human Development Index (HDI), is a composite index that covers three areas considered very basic: longevity, knowledge, and a decent standard of living.

Human development means positive growth and change in the level of well-being. This human development must happen in all aspects of life, whether economic, social,

political, cultural, and environmental. Therefore, the main focus of human development is on people and well-being. The success of human development is measured by the success of development partially that the most fundamental problems must be overcome. The things that need to be overcome are poverty, unemployment, illiteracy, and food security. The fact is that the achievement of partial human development is very varied. Namely, there are certain successful aspects of development, but other aspects of development are not successful. This phenomenon is a big challenge for district/city governments to optimize spending on education, health, and infrastructure to fund the implementation of development programs that have a decisive role in eliminating income inequality and encouragingHDI achievement improvement areas.

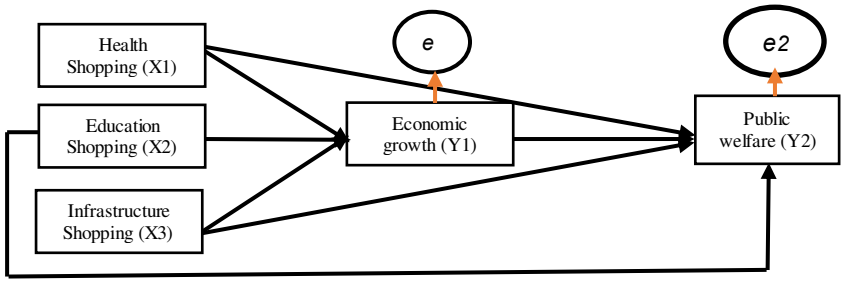
Fajri (2017) said that the challenge of the abundant number of poor people (based on the IKF score) made the acceleration of regional economic growth less than optimal. The role of the private sector and household consumption is also less than optimal. So far, the dependence of local governments on the central government is still high. The ability of PAD on average is only about 10% of the APBD; the rest relies on transfer funds, especially the General Allocation Fund (DAU). It is also evidenced by the Fiscal Capacity Index (IKF) of districts/cities, most of which are in the low category, including Maluku province. IKF is a picture of each region's financial capacity, which is reflected in the general revenue of the APBD.

Alexandra, (2016) that one of the benchmarks used to see the quality of human life is the Human Development Index (HDI) which is measured through the quality of education, health, and economy (purchasing power). Regional expenditures are prioritized to protect and improve the quality of people's lives to fulfill the regional obligations, which are manifested in improving essential services, education, providing health service facilities, social facilities, decent public facilities, and developing social security. It is done by considering the analysis of spending standards, price standards, performance benchmarks and minimum service standards set by laws and regulations (Law No.23 of 2014). The results showed that capital expenditure and economic growth positively and significantly affected the Human Development Index. In contrast, the poverty rate had a negative and significant effect on the Human Development Index. Thus, expenditure management in health, education, and infrastructure has a strong relationship with regional economic growth, primarily through income and expenditure that lead to the achievement of community welfare.

2. METHODS

The analytical method used in this study is path analysis with the following:

Research Model



Path of Direct Effect (*Direct Effect)*

- The effect of Health Expenditure variable (X_1) on Economic Growth (Y_1)

$\mathbf{Y_1 = Y_1\ X_1 +}$

- Effect of Education Expenditure variable (X_2) on Economic Growth (Y_1)
  $\mathbf{Y_1 = Y_1\ X_2 +}$
- Effect of Infrastructure Expenditure variable (X_3) on economic growth (Y_1)
  $\mathbf{Y_1 = Y_1\ X_3 +}$
- Effect of Health Expenditure variable (X_1) on Community Welfare (Y_2)
  $\mathbf{Y_2 = Y_2\ X_1 +}$
- Effect of Education Expenditure variable (X_2) on Community Welfare (Y_2)
  $\mathbf{Y_2 = Y_2\ X_2 +}$
- The influence of the variable of infrastructure spending (X_3) on the welfare of the community (Y_2)**:** $\mathbf{Y_2 = Y_2\ X_3 +}$
- The effect of the variable of Economic Growth (Y_1) on the Welfare of the Community (Y_2)**:** $\mathbf{Y_2 =_2 YY_1 +}$

Indirect(*Effect Path Indirect Effect)*

- The effect of the Health Expenditure variable (X_1) on Community Welfare (Y_2) through Economic Growth (Y_1)**:** $\mathbf{Y_2 = (\rho Y_1\ X_1)\ (\rho Y_2\ X_1) +}$
- Effect of Education Expenditure variable (X_2) on Community Welfare (Y_2) through Economic Growth (Y_1): $\mathbf{Y_2 = (\rho Y_1\ X_2)\ (\rho Y_2\ X_1) +}$
- Effect of Infrastructure Expenditure (X_3) on Community Welfare (Y_2) through Economic Growth (Y_1): $\mathbf{Y_2 = (\rho Y_1\ X_3)\ (\rho Y_2\ X_1) +}$

  Based on the*Path Analysis* used above, itcan be made into an equation model as follows:

  $\boldsymbol{Y_1 = Y_1X_1 + Y_1X_2 + Y_1X_3 +_1}$…….(1)

  $\boldsymbol{Y_1 = Y_2X_1 + Y_2X_2 + Y_2X_3 + Y_2X_1 +_2}$..... .... (2)

Description:

$\boldsymbol{\rho}$	= Coefficient Line
Y_1	$_=$ Growth
Y_2	=Public Welfare
X_1	=Health Spending
X_2	=Education Expenditure
X_3	=Infrastructure Spending
$\boldsymbol{\varepsilon_1,\varepsilon_2}$	= *Error*Term

3. RESULTS

Testing Results Path Analysis

Analysis of track or *path analysis* represents a different part of the regression analysis. For example, suppose the regression analysis is generally used to test whether the independent variable directly affects the dependent variable. Meanwhile, *path analysis*examines the direct effect and explains whether or not the independent variable gives an indirect effect through the *intervening* variable on the dependent variable.

Testing will be conducted by formulating a general hypothesis that will be proposed in the path analysis to clarify the basic concept of path analysis on the effect of health spending (X1), education spending (X2), and infrastructure spending (X3) simultaneously and partially having a positive effect on welfare. Community (Y) Districts/Cities in Maluku Province and economic growth (Y1) can mediate the relationship between health spending (X1), education spending (X2), infrastructure spending (X3), on community welfare (Y2) in Regencies/Cities in Maluku Province.

The test results of path analysiseconomic growth (Y1) may mediate the relationship between health expenditure (X1), education spending (X2), and infrastructure spending (X3) on the welfare of society (Y2) Regency/City in Maluku Province.

Regression Test Model I

With the following structural equation:

Y = -0.151 X1+ 0.360 X2 + 0.044 X3+ 1 Path

Coefficient:

1. 1X1= - 0.151, because value = 0.365 is greater than, then this path coefficient is not significant.
2. 2X2= 0.360, because value = 0.035 is smaller than, then this path coefficient is significant.
3. 3X3= 0.044, because value = 0.662 is greater than, then this path coefficient is not significant.
4. Yε = 1 – R^2 = (1 – 0.071) = 0.9638.

Regression Test Model II

With Structural Equation as Follows:

Y= 0.302 X1+ 0.643 X2 + 0.024 $X3_+$ 1 Path

Coefficient:

1. 1X1= 0.302, because value = 0.000 is smaller than, then this path coefficient is significant.
2. 2X2= 0.643, because value = 0.000 is smaller than, then this path coefficient is significant.
3. 3X3= 0.024, because value = 0.607 is greater than, then this path coefficient is not significant.
4. Y_1 = - 0.004, because – value = 0.354 is greater than, then this path coefficient is not significant.
5. Yε = 1 – R^2 = (1 – 0.807) = 0.4393

Referring to the Regression model 1 output results, there is no significance for the two variables, namely the health expenditure variable X1 = 0.365 and the infrastructure expenditure variable X3 = 0.662. It is greater than the significant level of 0.05. While the education expenditure variable X2 = 0.035 is smaller than, then the path coefficient is significant. These results conclude that the regression model is X1, and X3 has no significant effect on economic growth ($Y_{1),}$while X2 significantly affects economic growth (Y1).

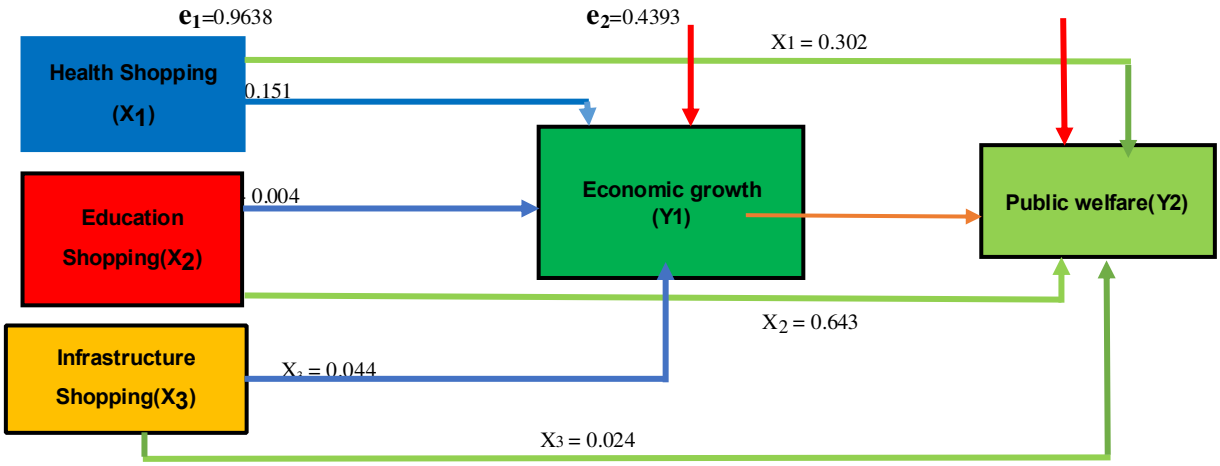
The value of R^2 or R Square is 0.071. it shows that contribution or donations influence the variables X1, X2, and X3 to Y_1 is at 7.1%, while the remaining 93.9% is contributed by other variables that are not researched in this study. Meanwhile, the value of e1 can be found with the formula e1 = (1 – 0.071) = 0.9638.

Referring to the Regression model II output results, it can be explained that two variables are significant, namely the health expenditure variable X1 of 0.000 and the education expenditure variable X2 of 0.000, which is smaller than the significant level of 0.05. The results conclude that the Model II regression variables X1, X2 significant effect on public welfare ($Y_{2).}$While the infrastructure spending variable (X3) of 0.607 does not affect the community welfare variable (Y_2). Meanwhile, the variable of economic growth (Y_1) is 0.354, which is greater than 0.05. This result concludes that the Regression Model II, namely economic growth (Y_1), has no significant effect on the variable of public welfare (Y_2).

The value of R^2 or R Square is 0.807. It shows that contribution or donations influences health expenditure variable (X1), education spending (X2), and spending on infrastructure (X3), and economic growth (Y_1) on the welfare of the community amounted to 80.7%. In comparison,the side 14.3% is contributed other variables not examined in this study. Meanwhile, the value of e2 can be found with the formula e2 = (1 – 0.807%) = 0.4393.

Thus, the results of the Regression Model I and Model II Regression path diagrams can be obtained as follows:

Analysis of Result Community Welfare through Economic Growth



***Source**: Primary Data Processed, 2019*

Health spending (X1), education spending (X2), and infrastructure spending (X3) simultaneously and partially have a significant positive effect on community welfare (Y2) in districts/cities in the province Maluku (Hypothesis 1)

Simultaneous and Partial Effect of Health Expenditure on Education Expenditure and Infrastructure ExpenditureCommunity Welfare

Based on statistical tests that have been carried outthrough the simultaneous significant test or F statistical test, the test result is 0.000 that smaller than the significance level (α), which is determined at 0.05. it proves that the variables of health, education, and infrastructure spending simultaneously have a significant effect on people's welfare. Thus, the expenditure on health, education, and infrastructure spending by the district/city government of Maluku province have a positive and significant impact on community welfare. The level of community welfare is measured based on the Human Development Index (HDI), which is part of the joint output of district/municipal government spending in Maluku province. Since 2010-2018, according to data released by the Maluku Provincial Statistics Agency, the Maluku Province Human Development Index (HDI) has always been above the national average.

Economic growth (Y1) can mediate the relationship between health spending (X1), education spending (X2), and infrastructure spending (X3) on community welfare in districts/cities in Maluku Province (Hypothesis 2)

Effect of Education, Health and Infrastructure Expenditure on Community Welfare through Economic Growth.

Tests using *Path Analysis* are carried out by comparing the direct and indirect effects of several independent variables, dependent variables, and intervening variables to see the Performance of Health, Education, and Infrastructure Expenditures on Welfare through Economic Growth. If the indirect effect is greater than the direct effect, the result is significant, but if the indirect effect is smaller than the direct effect, the result is not significant.

Effect of Health Expenditure on Economic Growth

It is known that from the results of the analysis that has been carried out, a significant value of health expenditure is 0.365 > 0.05. Therefore, it can be concluded that indirectly there is an insignificant effect of health spending (X1) on economic growth (Y1).

The Effect of Education Expenditure on Economic Growth

It is known that from the results of the analysis that has been carried out, a significant value of education expenditure is 0.035 < 0.05. Therefore, it can be concluded that indirect significant influence education spending (X2) on economic growth (Y1).

The Effect of Infrastructure Expenditure on Economic Growth

It is known that from the results of the analysis that has been carried out, a significant value of infrastructure spending is 0.662 > 0.05. It can be concluded that indirectly there is an insignificant effect of infrastructure spending (X3) on economic growth (Y_1)

The Effect of Economic Growth on Welfare

It is known that from the results of the above analysis, the direct effect of health spending (X1) on welfare (Y_2) is 0.302. While the indirect influence of health spending (X1) through economic growth ($Y_{1)}$ on the welfare of society ($Y_{2)}$is obtained by multiplying the value βeta X1 to Y_1 with a value βeta Y_1 to Y_2 is (- 0.151) x (- 0044) = 0.006644. Then the total effect given by health spending (X1) on economic growth (Y_1) is a direct effect plus an indirect effect, namely 0.302 + 0.006644 = 0.308644. Based on the results of the calculations above, it is known that the direct effect value is 0.302, and the indirect effect is 0.006644, which means that the indirect effect value is smaller than the direct effect value. It means that indirectly health spending (X1) through growth economy (Y_1) has no significant effect on people's welfare (Y_2), which shows that the variable economic growth (Y_1) is not an excellent intervening variable as an intermediary variable between the health expenditure variable (X1) and the welfare of the community (Y_2).

Analysis of the effect of health spending (X1) through economic growth (Y_1) on people's welfare (Y_2)

It is known that from the above analysis, given the direct influence of health spending (X1) towards welfare (Y_2)is equal to 0,302. While the indirect influence of health spending (X1) through economic growth ($Y_{1)}$ on the welfare of society (Y_2)is obtained by multiplying the value βeta X1 to Y_1 with a value βeta Y_1 to Y_2 is (- 0.151) x (- 0044) = 0.006644. Then the total effect given by health spending (X1) on economic growth (Y_1) is a direct effect plus an indirect effect, namely 0.302 + 0.006644 = 0.308644. Based on the results of the calculations above, it is known that the direct effect value is 0.302, and the indirect effect is 0.006644, which means that the indirect effect value is smaller than the direct effect value. It means that indirectly health spending (X1) through growth economy (Y_1) has no significant effect on people's welfare (Y_2). Thus, it shows that the variable economic growth (Y_1) is not an excellent intervening variable as an intermediary variable between the health expenditure variable (X1) and the welfare of the community (Y_2).

Analysis of the influence of education (X2) through economic growth (Y_1) on people's welfare (Y_2)

It is known that from the results of the above analysis that the direct effect of education spending (X2) on people's welfare (Y_2) is 0.643. While the indirect effect of

education spending (X2) through economic growth ($Y_{1)}$to the welfare of society ($Y_{2)}$is obtained by multiplying the value βeta X2 to Y_1 with a value βeta Y_1 to Y2 is 0.360 x (-0.044) = -0, 01584. Then the total effect is given by education spending (X2) on people's welfare (Y2) is a direct effect plus an indirect effect, namely 0.643 + (-0.01548) = 0.62752. Based on the calculation results above, it is known that the direct influence value is 0.643, and the indirect effect is -0.01548, which means that the indirect effect value is smaller when compared to the direct value. This result means that education spending indirectly (X2) through the growth economy (Y1) has no significant effect on people's welfare (Y2). Therefore, it shows that the economic growth variable (Y1) is not an excellent intervening variable as an intermediary variable between the education expenditure variable (X2) and the community welfare (Y2).

Analysis of the influence of infrastructure spending (X3) through economic growth (Y1) on people's welfare (Y2).

It is known that from the results of the analysis above that the direct effect of infrastructure spending (X3) on people's welfare (Y2) is 0.024. Meanwhile, the indirect effect of infrastructure spending (X3) through economic growth (Y1) on people's welfare (Y2) is the multiplication between the value of eta X3 to Y1 and the value of eta Y1 to Y2, which is 0.044 x (-0.044) = -0.001936. Therefore, it means that the total effect is given by infrastructure spending (X3) on people's welfare (Y2) is a direct effect plus an indirect effect, namely 0.024 + (-0.001936) = 0.022064. Furthermore, based on the results of the calculations above, it is known that the direct influence value is 0.024, and the indirect effect is -0.001936, meaning that the indirect influence value is smaller than the direct influence value. This result indicates that infrastructure spending indirectly (X3) through economic growth (Y1) has no significant effect on people's welfare (Y2). Therefore, it shows that the economic growth variable (Y1) is not an excellent intervening variable as an intermediary variable between the infrastructure spending variable (X3) and the people's welfare (Y2).

4. DISCUSSION

The results of this study show that health and education spending directly affects people's welfare. Of the three expenditures examined in this study, only health and education expenditures significantly contribute to community welfare. In contrast, infrastructure spending does not have a significant role in contributing to community welfare. In health spending, government spending can be realized in the form of good health services by health workers and the improvement of adequate public health facilities and infrastructure, especially for the poor. The provision of free health services can follow this in cheap treatment for the community with quality health services. Because by increasing adequate public health services, it will increase productivity in economic activities, which in the end will also improve people's welfare. In this case, it is excellent if the health services provided are cheap and easily accessible to provide other options for the community in using the budget for consumption. With the existence of health services from the government, basic health needs are met without large expenditures for health from them. Therefore, to create the welfare of society as a whole, people can allocate their consumption budget for other needs that are considered productive. The results of this study are in line with research by Arifin (2012), which revealed that many factorscould affect the Human Development Index, one of which is public health. Public health is the main thing from government spending on health that affects the level of community welfare.

In education spending, government spending can be realized by transferring education scholarship funds or school assistance (BOS) to make the 9-year compulsory

education program successful. Directly spending on education can produce quality human resources that can support regional economic growth to improve people's welfare. For example, the school-age population who initially could not go to school.With government spending on the education sector being used to provide public goods for educational facilities. It has a direct impact if quality human resources have been able to work. By itself, it will be able to contribute to regional economic growth and improve the welfare of the people in the area. The results of this study support the research of Hari (2004), who researched government spending used to provide public goods such as spending on health and education facilities. This study deals with economic growth in 14 states in India in 1970–2000. As a result, it was found that the greater government spending in the provision of public goods for health and education, the greater the economic growth. Thus, health and education are essential factors to improve the quality of human resources, while the quality of resources is an essential factor in economic growth.

In infrastructure spending, the government should further increase the budget allocation by implementing a strategy of providing infrastructure that includes diversifying financial resources, increasing private sector participation, and increasing the capacity of local governments by designing policies that can strengthen infrastructure development and, most importantly, implementing efficiency and effectiveness—budget management to improve the standard of living of a more prosperous community. The results of Wijaya's research (2019) showed the impact of government spending on economic growth, where the results found that government spending on infrastructure did not affect economic growth. But this study contradicts Demurger's research findings. Demurger (2001) states that for China, infrastructure is the primary determinant in supporting economic growth. This research also contradictsFox and Porca (2001). They state that infrastructure often collaborates with investment to increase productivity in the private sector and provide public services. Thus, from the results of this study, infrastructure spending is still stagnant towards the welfare of the community through regional economic growth.

The Effect of Health, Education and Infrastructure Expenditures on Community Welfare through Economic Growth

The results show no indirect influence between health, education, and infrastructure spending on community welfare through economic growth. This condition suggests that government spending can directly affect people's welfare through economic growth. However, of the three types of spending studied in this study, they indirectly do not affect people's welfare because economic growth is not the only *intervention*for improving people's welfare. Likewise, each region has differences in government funding, and the achievement of economic growth for each region is different every year.

This study directly obtained results in the health sector that did not affect all health indicator variables related to community welfare through regional economic growth. Following the study results,health spending through economic growth indirectly does not affect welfare. It means that health spending in its increase does not affect people's welfare through economic growth. However, suppose the increase in people's welfare through economic growth will automatically hamper the community's welfare in the health sector. The leading cause is that the distribution system of funds for health spending is not on target if it is through economic growth. And suppose it is aimed directly at improving the community. In that case, local government policies are needed to allocate health expenditures focused directly on: *a*. Increasing access to health, providing access to health services through Jamkesda and other health insurance, improving health facilities and infrastructure, and advocating to increase the public health

awareness of healthy living; *b*. Improving the quality of health through the provision of health facilities and infrastructure as well as conducting outreach to the public on public awareness in preventive efforts, and *c.* Improving health services is to increase more health services that have been provided so that health spending can have a positive impact on the quality and quantity of human resources to improve the welfare of the people in the district/city of Maluku province.

In education, this research directly affects all educational indicator variables related to community welfare through regional economic growth. The results of the analysis obtained show that an increase in education spending through economic growth will impact increasing people's welfare. Thus, it needs to be increased again for districts/cities allocating a low budget for education spending. This increase in education spending will impact improving the welfare of its people through economic growth. And to achieve these conditions, the government's policy in allocating the education budget is more focused on *a.* improving the education system, namely the provision of assistance for education costs, provision of educational infrastructure, and adequate school facilities. *b.* Improving the quality of education, through increasing the capacity of teachers and educators, developing teaching methods quality in learning models (advocacy); and *c.*developing the education system and governance through increasing the competitiveness of education and improving or reforming the education system so that education spending issued by local governments can have a positive impact on improving the quality and quantity of human resources to improve educational welfare through economic growth. Arifin (2012) conducted a study to determine government spending on health, education, and economic growth on the Human Development Index. As a result, government spending on the education sector affects the Human Development Index through economic growth in social welfare.

Infrastructure spending indirectly found insignificant results between the variables of infrastructure spending on people's welfare through the length of roads, bridges, and good electricity. Maluku province is an archipelago or has minor islands challenging to reach due to inadequate roads and bridges. This condition significantly affects regional economic growth due to the government's lack of concern in opening roads and bridges to facilitate community activities that worsen the level of community welfare. Demurger's (2001) research states that infrastructure is the primary determinant of economic growth in China.

Based on the study results, local governments are expected to allocate their budgets efficiently because the government is the main factor in improving people's welfare through concern for regional economic growth. To realize the community's welfare, the government, in determining policies, must use the budget extra carefully, effectively, and efficiently so that the community's welfare can be achieved later. Moreover, by managing the budget effectively and efficiently, it can produce quality outputs and outcomes. Therefore, the allocation of existing government expenditures must be used and possible to organize government programs and activities to create a prosperous society.

Meanwhile, government programs in health and education must be carried out carefully ineffective financial management. It intends to realize meaningful human resources. However, programs in the field of infrastructures such as transportation, roads, bridges, electricity, and communication facilities must be developed immediately in line with the progress of the times to feel the development well. Automatically with the

government's concern for infrastructure, facilities will be able to support economic activities such as consumption and production. In the end, the community's welfare can be realized. This research aligns with Antonio Estache (2007) researching government spending in the education, health, and infrastructure sectors concerning economic growth. As a result, the government has a decisive role in the budget spent on education, health, and infrastructure to increase regional economic growth.

5. CONCLUSION

Based on the research and discussion results, the following conclusions can be drawn: That directly, government spending on education has a positive and significant impact on economic growth in 11 districts/cities in Maluku Province. Also, government spending on health and education has a positive and significant impact on people's welfare in 11 districts/cities in Maluku Province. It is generally known that the increase in government spending tends to be in line with economic growth. Therefore, the results of this study support the hypothesis that only health and education spending have a significant role in contributing to people's welfare. However, all government spending variables are not directly related to community welfare through regional economic growth in 11 districts/cities in Maluku. Indirect influence occurs between government spending on health, education, and infrastructure on welfare through economic growth in Maluku province. For example, with indicators of local government spending in the health sector (seen from infant mortality rate, maternal mortality rate, and life expectancy), education (seen from illiteracy mortality, school enrollment rates, and the average length of schooling), and infrastructure (length of roads, bridges, and electricity). This situation provides an understanding that government spending can affect the welfare of the community through economic growth in the district/city area.

Indirectly, government spending on health, education, and infrastructure does not influence people's welfare through regional economic growth. It is because the increase in government spending does not increase people's welfare through economic growth in health, education, and infrastructure. That means that the hypothesis of economic growth that can mediate the relationship between health, education, and infrastructure on people's welfare indirectly is not fully proven.

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