

## Analysis of the Influence of Regional Minimum Wage and Life Expectancy on Regional GDP and Community Welfare in Regencies / Cities of Bali Province

Ida Bagus Oka Wijaya<sup>1</sup>, Sudarsana Arka<sup>2</sup>

<sup>1,2</sup>(Faculty of Economics and Business, Udayana University, Indonesia)

**ABSTRACT:** Community welfare is a goal that each region wants to achieve. Human Development Index is a variable used to determine the level of welfare. The regency / city of Bali Province is an area that still has problems in the field of community welfare, so it needs more serious attention in order to improve the welfare of the people in that area. This study aims: 1) To analyze the direct effect of Regional Minimum Wage and Life Expectancy on Regional GDP in regencies / cities in Bali Province; 2) To analyze the direct effect of Regional Minimum Wage, Life Expectancy, and Regional GDP on the Community Welfare in the regencies / cities of Bali Province; 3) To analyze the role of Regional GDP in mediating the influence of Regional Minimum Wage and Life Expectancy on the Community Welfare in the regencies / cities of Bali Province. This research was conducted in the regency / city of Bali Province. The data used are secondary data. The number of observations in this study was 72 observations by combining time series data for eight years, namely 2012-2019 and cross section data of nine regencies / cities in Bali Province. The data collection method used is observation. The data analysis technique used in this study is path analysis technique. The results of the analysis show that 1) Regional Minimum Wage and Life Expectancy have a positive and significant effect on Regional GDP in regencies / cities in Bali Province; 2) Regional Minimum Wage, Life Expectancy, and Regional GDP have a positive and significant effect on the Community Welfare in the regencies / cities of Bali Province; 3) Regional GDP as a mediating variable for the influence of Regional Minimum Wage and Life Expectancy on the Community Welfare in the regencies / cities of Bali Province.

**KEYWORDS:** Regional Minimum Wage, Life Expectancy, Regional GDP, Community Welfare

### I. INTRODUCTION

Welfare is a goal to be achieved by every country, especially in Indonesia, many policies are made by the government for economic development. Development aims to increase the standard of living of each person, both income, food consumption, clothing, housing, health services and education. Development is expected to create equality, justice, and the absence of inequality in development, both between regions and citizens (Todaro, 2009: 57). Community welfare is one of the goals of sustainable development goals (SDGs) and is a reflection of the success of development carried out by the government, measured using Human Development Index (HDI). HDI is a measure of the achievement of human development based on a number of basic components of quality of life. HDI can describe welfare through several components, namely the achievement of long and healthy life, expectations of long school years and average length of schooling, and the income or purchasing power of the community (BPS, 2019).

Development within the spatial scope of the country is not always evenly distributed, there are areas with fast development and areas with slow development, where inequality of development will adversely affect the welfare of the people in an area (Hariwan and Swaningrum, 2015). The amount of development of an area can be seen through the value of the HDI. HDI in the regencies / cities in Bali Province can be seen in Table 1.

**Table 1 Human Development Index (HDI) by Regency / City in Bali Province Year 2015- 2019 (point)**

Regency / City	Year				
	2015	2016	2017	2018	2019
Jembrana	69.66	70.38	70.72	71.65	72.35
Tabanan	73.54	74.19	74.86	75.45	76.96
Badung	78.86	79.80	80.54	80.87	81.89
Gianyar	75.03	75.70	76.49	76.61	77.84
Klungkung	68.98	69.81	70.13	71.40	71.71
Bangli	66.84	67.73	68.24	68.96	69.85
Karangasem	64.68	65.23	65.57	66.49	67.94
Buleleng	70.03	70.65	71.11	71.70	72.95
Denpasar	82.24	82.58	83.01	83.30	83.68
<b>Bali Province</b>	<b>73.27</b>	<b>73.65</b>	<b>74.30</b>	<b>74.77</b>	<b>75.38</b>

Source: BPS Bali Province, 2019

Based on Table 1 it can be seen that the regency / city in Bali province is a region which succeeded in increasing the HDI. Even so, the average growth of regency / city HDI in Bali Province during 2015 to 2019 fluctuated, namely 1.09 percent in 2015 followed by 2016 decreasing by 0.52 percent, in 2017 it increased by 0.88 percent. Fell again in 2018 by 0.63 percent, and in 2019 there was an increase of 0.82 percent. Based on this, it can be seen that the average HDI growth in regencies / cities of Bali Province tends to range from below 1 percent to 1 percent. Based on Table 1, it can be seen that Denpasar City and Badung Regency are classified as high to very high with indexes ranging from 70 to 80 and above, while the two regencies namely Karangasem Regency and Bangli Regency are still in the moderate category, namely below 70. The difference in HDI figures is due to access to health facilities, and education, as well as the existence of different resources between regencies / cities in Bali Province. Bali's HDI as a whole continues to increase, but the significant difference in HDI figures between regencies / cities in Bali Province is an important problem to overcome (Nina and Rustariyuni, 2018).

One that determines the prosperity of a society and the success of a region's development in terms of its economy is Regional Gross Domestic Product (Regional GDP). Regional GDP is basically the amount of added value generated by all business units in a particular area (Muliza et al, 2017). To measure economic growth, the value of regional GDP used is Regional GDP based on constant prices. Because by using constant prices, the effect of price changes has been eliminated, so even though the figure that appears is the money value of the total output of goods and services (Mandala Manurung and Prathama Raharja, 2008). Regional GDP is related to HDI. When the quality of human resources increases, the productivity and creativity of the community will increase so that it will increase the Regional GDP (Bhakti et al, 2017). High output growth will result in increased public consumption and will increase purchasing power. People's purchasing power is an indicator of HDI in terms of income.

The level of productivity of the people of an area is also influenced by their health, which is proxied by their Life Expectancy (Arshad and Malik, 2015). Life Expectancy is the estimated average number of years that a person can take during his lifetime. Health is a fundamental development goal because health is the essence of prosperity and aims to achieve a better life. The existence of human capital investment will flatten the distribution of income so that inequality will decrease. Therefore, health plays a role in increasing labor productivity. If everyone has a higher income because of the level of health they have, then the economic growth of the population can be supported. This is in accordance with the theory human capital which explains that an increase in the quality of human resources is part of human capital investment, if human capital is low, it implies low life expectancy (Leker&Ponthiere, 2015).

Other policies that are often taken by the government to increase employment opportunities and social welfare, apart from encouraging economic growth, are the minimum wage setting policy (Tapparan, 2017). The minimum wage as referred to in the regulation of the Minister of Manpower Number: Per-01 / Men / 1999 is the lowest monthly wage consisting of the basic wage including fixed allowances. The purpose of setting the minimum wage is to achieve decent income for workers. The minimum wage as stated in the efficiency wage theory aims to increase the productivity of the workforce, so that it has an impact on increasing the production output of a company (Mankiw, 2006: 165). The level of the minimum wage value for each regency / city differs depending on the standard cost of living rates in the regency / city with consideration of the price level of basic needs of the local area, if the regency / city has a high minimum wage level it will have an impact on the increase in Regional GDP.

There are several variables that affect the Welfare of Society. These variables are Regional Minimum Wage and Life Expectancy. Regional Minimum Wage is interesting to study because it is closely related to decent living standards such as health and welfare of workers. In addition, in improving people's welfare, good health, which is reflected in their Life Expectancy, will be able to increase people's income which is reflected in the Regional GDP, so that in the end it will be able to improve the community's standard of living so that community welfare is achieved.

The objectives of this study can be formulated as follows: 1) To analyze the direct effect of Regional Minimum Wage and Life Expectancy on Regional GDP in regencies / cities in Bali Province; 2) To analyze the direct effect of Regional Minimum Wage, Life Expectancy, and Regional GDP on the Community Welfare in the regencies / cities of Bali Province; 3) To analyze the role of Regional GDP in mediating the influence of Regional Minimum Wage and Life Expectancy on the Community Welfare in the regencies / cities of Bali Province. This research is expected to provide benefits, including: 1) Theoretical Benefits, where this research is expected to add empirical evidence and become a reference for further studies on studies that explain Regional Minimum Wage, Life Expectancy, and Regional GDP on Community Welfare, 2) Practical Benefits, where this research is expected to contribute ideas to the government and other interested parties regarding matters related to this study.

## II. CONCEPTUAL MODEL AND HYPOTHESIS

The concept of this study analyzes the effect of Regional Minimum Wage and Life Expectancy on Regional GDP and Community Welfare in regencies / cities of Bali Province. Wages are a source of income for workers to make ends meet. The level of the minimum wage value for each regencies / city differs depending on the standard cost of living rates in the regency / city with consideration of the price level of basic needs of the local area, if the regency / city has a high minimum wage level it will have an impact on the increase in Regional GDP. Regional GDP is important to use in determining the value of the minimum wage because the level of output produced will affect the profit generated (Nuraeni, 2018). Community welfare will be achieved if workers receive wages that can be used to meet their daily needs. The results of this study are in line with research by Chalid and Yusuf (2014) which shows that the minimum wage has a positive effect on the HDI. The higher Regional Minimum Wage of a region, the higher its economic level.

The most important factor affecting Regional GDP in a region is Life Expectancy. In countries where the level of health is better, each individual has an average life longer, thus economically has the opportunity to earn a higher income. Families with a longer Life Expectancy tend to invest their income in education and savings. The higher Life Expectancy, the more successful it shows in health development in the area (Muda et al, 2019). Work productivity will increase as a result of an increase in the expectation rate of a region (Gong, 2000), in other words, through a high level of health, quality human resources will be created so that the ability to access employment opportunities to get job will be wide open. The level of labor productivity in an area is influenced by its health, which is represented by Life Expectancy (Arshad and Malik, 2015).

Improving quality, especially in the health sector, will mean more for people with low quality human resources, cheap health facilities will greatly help to increase productivity which in turn will increase income and create jobs (Matt Dickson, 2009). Fleisher et al (2009) also revealed that human capital is a factor that contributes to inequality in every region. Thus, in human development, it is necessary to have the role of the government in carrying out policies related to improving the quality of human development. In this case the government must allocate a budget in the health sector, considering that these two sectors also play a role in supporting the success of human development (Vaitkevicius et al., 2015). According to research by Septiana et al (2015), health is the essence of well-being. According to Zhang and Zao (1998), adequate access to health, education and other socio-economic services leads people out of underdevelopment, which in turn will enjoy high welfare.

Increased human development will improve the quality of human resources. Good quality human resources will help improve the economy. One indicator of economic growth in a region can be seen from its output, namely Regional GDP. In increasing economic growth, we must pay attention to aspects of human development. Regional GDP is related to HDI. When the quality of human resources increases, the productivity and creativity of the community will increase so that it will increase the Regional GDP (Bhakti et al, 2017). High output growth will cause public consumption to increase purchasing power. When people's purchasing power increases, it will increase HDI, because people's purchasing power is an indicator of HDI in terms of income. GDP growth will encourage people to get better education and health facilities (Oka and Arka, 2015). This is in line with the research of Agustina et al. (2016), where Regional GDP shows a positive and significant effect on the HDI.

Based on the results of previous studies, the conceptual framework in this study as follows.

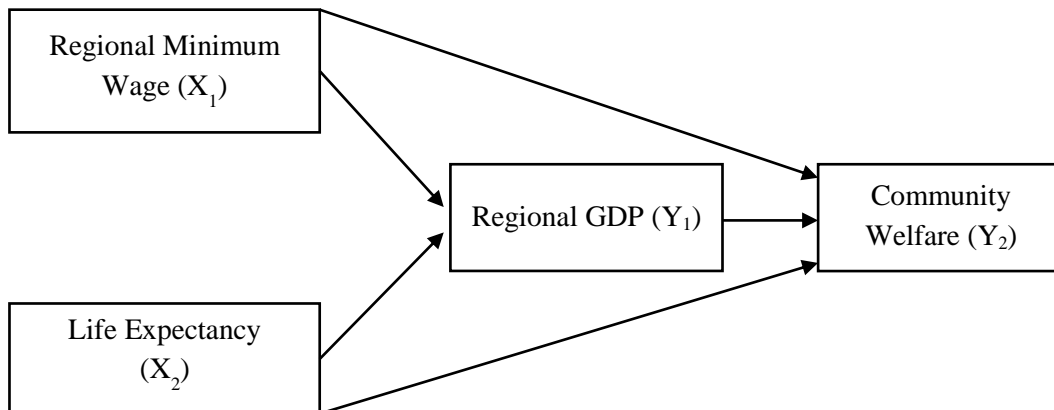


Figure 1. Conceptual Framework

Based on the theories and concepts that have been explained, the following hypothesis can be formulated:

- 1) Regional Minimum Wage and Life Expectancy have a positive and significant effect on Regional GDP in the regencies / cities in Bali Province.
- 2) Regional Minimum Wage, Life Expectancy, and Regional GDP directly have a positive and significant effect on the Community Welfare in the regencies / cities of Bali Province.
- 3) Regional GDP as a mediating variable for the influence of Regional Minimum Wage and Life Expectancy on the Community Welfare in the regencies / cities of Bali Province.

### III. RESEARCH METHODS

This research was conducted using an associative paradigm (relationship) which aims to determine the relationship of two or more variables (Sugiyono, 2017: 20). The research location was conducted in the regency / city of Bali Province. The reason for taking research locations in regencies / cities in Bali Province is because there are still disparities in HDI achievements between regencies / cities in Bali Province. The data used in this research is secondary data with panel data type. In this study, the data *cross section* used were nine regencies / cities in Bali Province, while the *time series* data used were annual data from 2012-2019 (8 years). Thus, the magnitude of the observation is  $9 \times 8 = 72$ . Data collection in this study was carried out by the observation method. The data analysis technique in this study used path analysis techniques. The structural similarities of this study are as follows.

The structure of I

$$Y_1 = b_1X_1 + b_2X_2 + e \dots\dots\dots (1)$$

Structure II

$$Y_2 = b_3X_1 + b_4X_2 + b_5Y_1 + e \dots\dots\dots (2)$$

Information:

- Y1 = Regional GDP
- Y2 = Community Welfare
- X1 = Regional Minimum Wage
- X2 = Life Expectancy
- e1, e2 = Error
- b1-b5 = Coefficient of Each Variable

### IV. RESULTS AND DISCUSSION

#### 4.1 The Model Feasibility

F-Test was conducted by looking at the significance value, if the significance value  $F_{test} < \alpha = 0.05$ , the model in this study is said to be feasible. The results of the F test on the structure of models 1 and 2 can be seen in Table 2.

Table 2 Results of the F Test for Structural I and II

Structures of the	Equation	F	Sig.	R-Square
I	$Y_1 = 0,142X_1 + 0,778 X_2 + e_1$	84.700	0.000	0.711
II	$Y_2 = 0,074X_1 + 0,774X_2 + 0,180 Y_1 + e_2$	283.207	0.000	0.926

Table 2, it can be seen that F test shows that the value of  $F_{test}$  in the structural equation I is 84,700 with a significance value of 0,000 < 0.05. This means that the model in this study is said to be feasible. Table 2 also shows the results of  $F_{test}$  in the structural equation II where the  $F_{test}$  is 283.307 with a significance value of 0.000 < 0.05. This means that the model in this study is said to be feasible. Table 2 shows that in structural equation I, the magnitude of the influence of the independent variables on the dependent variable is indicated by the R Square value of 0.711, which means that 71.1 percent of the variance of Regional GDP ( $Y_1$ ) is influenced by the variance of Regional Minimum Wage ( $X_1$ ) and Life Expectancy ( $X_2$ ), the remaining 38.9 percent is influenced by other factors that are not included in the model. While in structural equation II, the R Square value is 0.926, which means that 92.6 percent of the variance in Community Welfare ( $Y_2$ ) is influenced by the variance of Regional Minimum Wage, Life Expectancy, and Regional GDP. The remaining 7.4 percent is influenced by other factors not included in the model.

Based on structural equation models I and II, a final path diagram model can be prepared. Before drawing up the final path diagram model, first calculated the estimated value of the standard error.

Calculating the value of  $e_1$  which shows the amount of variance of the Regional GDP variable that cannot be explained by the Regional Minimum Wage and Life Expectancy is calculated using the formula:

$$e_1 = \sqrt{1 - R_1^2} = \sqrt{1 - 0.711} = 0.538$$

Based on the calculation of the effect of the error, the result of the effect of error is obtained ( $e_1$ ) equal to 0.538.

Calculating the value of  $e_2$  which shows the variance of Community Welfare variables that can not be explained by Regional Minimum Wage, Life Expectancy, and Regional GDP, it is calculated using the formula:

$$e_2 = \sqrt{1 - R_2^2} = \sqrt{1 - 0.926} = 0.272$$

Based on the results obtained calculation error influence the effect of error ( $e_2$ ) is 0.272.

In checking the validity of the model, there is an indicator to carry out an examination, namely the coefficient of determination, the total results are as follows:

$$\begin{aligned} R^2_m &= 1 - (e_1)^2 (e_2)^2 \\ &= 1 - (0.538)^2 (0.272)^2 \\ &= 1 - (0.289) (0.074) \\ &= 1 - 0.021 = 0.979 \end{aligned}$$

Description:

$R^2_m$  : Coefficient of determination total  
 $e_1, e_2$  : Value error estimates standard

Coefficient of determination total of 0.979 has meaning that 97.9% of the variation in Community Welfare is influenced by Regional Minimum Wage, Life Expectancy, and Regional GDP, while the remaining 2.1% is explained by other factors that are not included in the model.

## 4.2 Testing Direct Effects

4.2.1 Testing the Effect of Regional Minimum Wage and Life Expectancy on Regional GDP in the regency / city of Bali Province

Testing equation 1 was carried out to see the effect of Regional Minimum Wage and Life Expectancy on Regional GDP using the SPSS program, the results of the regression analysis are presented in Table 3.

**Table 3 Regression Test Results of the Regional Minimum Wage and Life Expectancy on Regional GDP****Coefficients<sup>a</sup>**

Model	Unstandardized Coefficients		Standardized Coefficients	T	Sig.
	B	Std. Error	Beta		
1 (Constant)	-294 147	26 486		-11 106	.000
Regional minimum wage	3,020	1,492	.142	2024	.047
Life expectancy	4228	.381	.778	11 086	.000

a. Dependent Variable: Regional GDP

Based on Table 3 it can be explained about testing the direct effect of Regional Minimum Wage and Life Expectancy on Regional GDP. As for the influence of Regional Minimum Wage on Regional GDP, a significance value of 0.047 was obtained with a beta coefficient value of 0.142. A significance value of 0.047 < 0.05 indicates that  $H_0$  is rejected. This result means that Regional Minimum Wage has a positive and significant effect on Regional GDP. Meanwhile, the effect of Life Expectancy on Regional GDP obtained a significance value of 0.000 with a beta coefficient value of 0.778. A significance value of 0.000 < 0.05 indicates that  $H_0$  is rejected. This result means that Life Expectancy has a positive and significant effect on Regional GDP.

#### 4.2.2 Testing the Influence of Regional Minimum Wage, Life Expectancy, and Regional GDP on Community Welfare in the regency/city of Bali Province

Equation 2 testing was carried out to see the effect of Regional Minimum Wage, Life Expectancy and Regional GDP on Community using the SPSS program. The regression analysis is presented in Table 4 below.

**Table 4 Regression Test Results Of Regional Minimum Wage, Life Expectancy and Regional GDP on Community Welfare****Coefficients<sup>a</sup>**

Model	Unstandardized Coefficients		Standardized Coefficients	t	Sig.
	B	Std. Error	Beta		
1 (Constant)	-105 912	13 071		-8 103	.000
Regional Minimum Wage	.912	.454	.074	2.008	.049
Life Expectancy	2.440	.188	.774	12,980	.000
Regional GDP	.105	.036	.180	2939	.004

a. Dependent Variable: Community Welfare

Based on Table 4, it can be explained about testing the direct effect of Regional Minimum Wage, Life Expectancy, and Regional GDP on Community Welfare. The influence of Regional Minimum Wage on the welfare of society obtained a significance value of 0.049 with a beta coefficient value of 0.074. A significance value of 0.049 < 0.05 indicates that  $H_0$  is rejected. This result means that Regional Minimum Wage has a positive and significant effect on the Community Welfare. The effect of Life Expectancy on Community Welfare obtained a significance value of 0.000 with a beta coefficient value of 0.774. A significance value of 0.000 < 0.05 indicates that  $H_0$  is rejected. This result means that Life Expectancy has a positive and significant



effect on Community welfare. Meanwhile, the effect of Regional GDP on Community Welfare obtained a significance value of 0.004 with a beta coefficient of 0.180. The significance value of  $0.004 < 0.05$  indicates that  $H_0$  is rejected. This result means that Regional GDP has a positive and significant effect on the Community Welfare.

#### 4.3 Testing Indirect Effect

Testing the Regional GDP variable in mediating the influence of Regional Minimum Wage on the Community Welfare in the regencies / cities of Bali Province obtained the sobel test results,  $Z_{\text{test}} 2.09 > 1.96$ , meaning that Regional GDP is a variable that mediates the influence of Regional Minimum Wage on the Community Welfare in the regencies / cities of Bali Province.

Testing the Regional GDP variable in mediating the effect of Life Expectancy on the Community Welfare in the regencies / cities of Bali Province obtained the sobel test results shows that  $Z_{\text{test}}$  is  $2.83 > 1.96$ , meaning that Regional GDP is a variable that mediates the effect of Life Expectancy on the Community Welfare in regency / city of Bali Province.

Based on Tables 3 and 4, it can be seen and summarized the path coefficient and significance of relationship between variables as presented in Table 5 as follows.

**Table 5 Summary of Path Coefficient and Significance of Relationship Between Variables**

Regression	Standard Coefficients Beta	Significance	Information
X1 → Y1	0.142	0.047	Significant
X2 → Y1	0.778	0.000	Significant
X1 → Y2	0.074	0.049	Significant
X2 → Y2	0.774	0.000	Significant
Y1 → Y2	0.180	0.004	Significant

Based on the research results it can be seen that the relationships between variables which are the path coefficient in this study. Path coefficients can be generated in the form of a path diagram. The model can also be expressed in the following structural equation.

Structural Equation I

$$Y_1 = 0.142X_1 + 0.778 X_2 + e_1$$

Structural Equation II

$$Y_2 = 0.074X_1 + 0.774X_2 + 0.180Y_1 + e_2$$

#### 4.4 Discussion of Research Results

The research hypothesis states that Regional Minimum Wage has a positive and significant effect on Regional GDP. Based on the test results, it shows that the beta coefficient value is 0.142 with a significance value of  $0.047 < 0.05$  indicating that  $H_0$  is rejected. This result means that the Regional Minimum Wage has a positive and significant effect on Regional GDP in the regencies / city of Bali Province. The value of the coefficient which is positive means that the higher Regional Minimum Wage, the greater Regional GDP, because high wages encourage worker productivity and affect the resulting output, thereby encouraging the performance of regional economic growth. The results of this study are in line with Keynes's theory which explains that when an increase in income has an effect on increasing public consumption, so that regional economic growth also increases (Sabrina, 2020). The results of this study are also in line with research (Nuraeni, 2018) which states that the wages paid far above the equilibrium wage, so that labor productivity increases, and the amount of output produced will increase.

The research hypothesis states that Life Expectancy has a positive and significant effect on Regional GDP. Based on the test results, it shows that the beta coefficient value is 0.778 with a significance value of  $0.000 < 0.05$ , indicating that  $H_0$  is rejected. These results indicate that Life Expectancy has a positive and significant effect on Regional GDP in the regencies / cities of Bali Province. This means that people in regencies / cities have a good level of health, each individual has an average life longer, thus economically has the opportunity to earn higher income. The higher the Life Expectancy of an area, it shows an increase in the health of Bali Province. This is in line with research (Sulistyaningrum, 2014), where a healthy population will increase human capital in the region. Good quality of human capital will effect on productivity of the population so the income of Regional GDP increases.

The research hypothesis states that Regional Minimum Wage has a positive and significant effect on Community Welfare. Based on the test results, it shows that the influence of Regional Minimum Wage on the

Community Welfare is obtained by the beta coefficient value of 0.074 with a significance value of  $0.049 < 0.05$ . This indicates that  $H_0$  is rejected. This result means that Regional Minimum Wage has a positive and significant effect on the Community Welfare in the regencies / cities of Bali Province. This means that an increase in the Regional Minimum Wage can improve the Community Welfare in the regencies / cities of Bali Province. According to Amirul, the increase in Regional Minimum Wage will increase the need for decent living so that the standard of living is also increased which will affect the Community Welfare (Megantara and Kembar Sri Budhi, 2020). In this case the Regional Minimum Wage can meet the minimum living needs of workers, namely the need for clothing, food and household needs.

The research hypothesis states that Life Expectancy has a positive and significant effect on Community Welfare. Based on the test results, it shows that the beta coefficient value is 0.774 with a significance value of  $0.000 < 0.05$ , indicating that  $H_0$  is rejected. This result means that Life Expectancy has a positive and significant effect on the Community Welfare in the regencies / cities of Bali Province. This means that increasing the Life Expectancy of the people in the regencies / cities of Bali Province is able to improve the quality of life of its people and improve the Community Welfare. The results of this study are in line with the research by Muda *et al* (2019) which states that Wages have a positive and significant effect, meaning that the higher Life Expectancy, the more successful it shows the success of health development in the area. According to Zhang and Zao (1998), adequate access to health services leads people out of underdevelopment who will then enjoy high welfare.

The research hypothesis states that Regional GDP has a positive and significant effect on Community Welfare. Based on the test results, it shows that the beta coefficient value is 0.180 with a significance value of  $0.004 < 0.05$  indicating that  $H_0$  is rejected. This result means that the Regional GDP has a positive and significant effect on the Community Welfare in the regencies / Cities of Bali Province. In this case the Regional GDP is related to HDI. This is in line with research by Bhakti *et al* (2017) which states that when the quality of human resources is good, the productivity and creativity of the community will increase, so it giving more effect on Regional GDP. This is in line with Ranis research (2004) which states that at the macro level, income sharing and economic growth will also have a significant impact on HDI.

## V. CONCLUSION

From the results of the discussion it can be concluded that 1) Regional Minimum Wage and Life Expectancy have a positive and significant effect on Regional GDP in regencies / cities of Bali Province; 2) Regional Minimum Wage, Life Expectancy, and Regional GDP have a positive and significant effect on the Community Welfare in regencies / cities of Bali Province; 3) Regional GDP as a mediating variable for the influence of Regional Minimum Wage and Life Expectancy on the Community Welfare in regencies / cities of Bali Province. Based on the results of the analysis and conclusions that have been explained, suggestions can be made, namely the Bali Provincial Government is advised to pay attention to the minimum wage policy, so as not to cause problems between workers and employers who provide employment, because wage greatly affect worker productivity. To keep people's purchasing power from declining, the government can prepare social assistance and maintain price stability for basic necessities. Other than that, the government is advised to strive for equitable distribution of infrastructure development, especially in the health sector in each regencies / cities. Deeper assessment of the development of infrastructure or public facilities so that they can truly benefit local communities, especially in areas where health services are not evenly available. By providing optimal and equitable health insurance assistance, it is hoped that people with Life Expectancy are able to boost economic productivity in the regions.

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