

AN ANALYSIS OF HUMAN RESOURCE DEVELOPMENT PROBLEMS IN THE DEVELOPING COUNTRY (The Case of West Java Province, Indonesia)

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Abstract:

In general, human resource development constitutes one of the most crucial problems for developing countries, including Indonesia. In each indicator of HDI: education, life expectancy at birth, and GDP; all provinces in Indonesia have experienced similar condition. Analyzing HDI in West Java Province is very essential due to its status as hinterland of Indonesian capitol, Jakarta and other existing advantages on the one hand, and its relatively low performance in human development on the other hand. This indicates policy failures in overall developmental processes in West Java province. This paper tries to examine the situation and policy on three aspects of HDI: education aspect that covers school gross enrollment and rate of literacy, health aspect that comprise life expectancy and mortality rate, and income / GDP per capita aspect.

Introduction

As a developing country, the low of human resource development constitutes one of the most crucial problems in Indonesia. It can be seen from human development index, which is formulated based on social development performances or indicators such as *life expectancy at birth, adult literacy rate, GDP per capita, and school gross enrollment ratio*. As UNDP reports, Indonesia HDI has tended to worsen since this country fell into severe financial and currency crisis in 1997. Similarly, such situations can easily be found in local / provincial level.

It is clear that until now, economic crisis is the biggest obstacle for Indonesia to accelerate its development programs. Before the crisis occurred, Indonesia has had laudable achievements both in economic and human development aspects for over the past three decades (1960s-1990s).

As pointed out by BPS, BAPPENAS, and UNDP (2002: 1), these successes range from reductions in poverty and inequality to increases in life expectancy and literacy. Infant mortality declined substantially following improvements in access to health care and sanitation. At the same time there have been considerable improvements in the status of women: male-female gaps have been narrowing at all levels of education, and women's earnings have been increasing as a proportion of earned family income. Meanwhile disparities between the provinces have also been shrinking.

Unfortunately, the sudden and unexpected crisis of the late 1990s dealt a serious blow to Indonesia's journey to progress. For most people the immediate and sharpest impact of the crisis has been through inflation. Between 1997 and 1998 inflation surged from 6% to 78%, while real wages fell by around one-third. As a result there was a sharp increase in poverty. Between 1996 and 1999 the proportion of people living below the poverty line jumped from 18% to 24%. At the same time, poverty became more severe as the incomes of the poor as a whole fell further below the poverty line. In addition, the crisis seems to have affected women and children more adversely. The overall impact of the crisis was reflected in the deterioration of Indonesia's human development index (HDI) – largely the result of the drop in real incomes (ibid).

In the future, challenges to refurbish the developmental performances are quite complicated, not only due to economic crisis and their stern impacts, but also unstable changes and reforms carried out in creating new and better social and economic systems. Based on such complexity of social problems, this paper tries to examine the difficulties of promoting human development in Indonesia, with particular emphasize on provincial level (West Java Province as the case study). Three aspects of human development will be highlighted, education aspect (literacy rate and school gross enrollment ratio), life expectancy at birth / infant mortality aspect, and income aspect (GDP per capita). Other aspect such as employment will be added to make the study more comprehensive. Brief theoretical note on the role of human capital will precede the empirical analysis.

Role of Human Capital on Development and Determinant Factor of HDI

It is unquestionable that humans play important roles in development. There is general assumption that human capital has positive or direct correlation with economic (and social) development of a country or society. It means that the higher the quality of human capital, the higher the economic performance that might be achieved. As stated by Zidan (2001), there is general agreement that human capital formation is one of the critical causes of economic development. Some studies summarized below also verify that human capital constitute a determinant factor in generating economic development. Based on those studies, people, organization, and government should pay sufficient attention to human (capital) development and efforts to improve it systematically.

Trying to make connection between human capital and economic development, Hasan (2001) describes that in the traditional neoclassical growth models developed by Robert Solow and Trevor Swan in the 1950s, the output of an economy grows in response to larger inputs of capital and labor (all physical inputs). Non-economic variables such as human capital or human health variables have no function in these models. In economic lexicon, this simply means that the technological progresses are “*exogenous*” to the systems.

However, in the mid 1980s, a new paradigm was developed in the literature, mostly by Paul Romer (1986), which is now commonly known as “*endogenous growth models*”. Here, the concept of capital includes *human capital*. In simple terms, this means that if the firm that invests in capital also employs educated and skilled workers who are also healthy, then not only *will the labor be productive* but it *will also be able to use the capital and technology more efficiently*. This will lead to a so-called “Hicks neutral” shift in the production function and thus there can be *increasing* rather than *decreasing* returns to investments (ibid).

Similarly, Alcacer (2000) insists that human capital may improve the foreign direct investment (FDI) of a country. A detailed study of FDI trends

reveals that most FDI occurs between industrial countries with similarly high wages, while countries with low wages systematically show the lowest levels of FDI. He also emphasizes that training for staffs is extremely essential due to lack of trained personal should be associated with low levels of human capital. In this case, education and training constitutes a vital strategy to provide and promote human capacity in a certain milieu. This supported by the conclusion of the International Conference On Population And Development (1994), which declares that education is a key factor in sustainable development.

Berthélemy's study on the role of the trade regime (1997) strengthens the assumption that human capital has positive or direct correlation with economic. He avows that human capital has positive impact on growth, but specifically, it is found that this impact depends on the trade openness of the economy. This can be interpreted in a model where human capital is used in technological imitation activities that can be efficient only in an open economy context.

Finally, Engelbrecht (2001) points out that the Nelson-Phelps approach as well as the Lucas approach to the modelling of human capital in growth regressions is supported, when outliers are deleted from the data. For sure, there are lots of researches on the impact of human capital on development, but some studies served here are believed to be comprehensive enough in providing basic conception on the importance of human development.

As mentioned above, human development index is calculated based on three main indicators, they are, education aspect (literacy rate and school gross enrollment ratio), life expectancy at birth / infant mortality aspect, and income aspect (GDP per capita). However, as King reminds us, although the HDI focuses heavily on material aspects, we recognize that there are other important aspects of human development that may not be well measured by the HDI, including 1) a people's self esteem or sense of worth and self respect, 2) expanded choices or freedom from alienating conditions of life and social servitude, and 3) spirituality. It means that other aspects such as health condition, household income rates, and human capital or capacity also play important roles in building outstanding human

development. Therefore, analyzing the low of HDI in a certain country, ideally, should encompass all such determinant factors.

Figure 1 shows that the low of human development index is a complicated problem. There are many variables affected HDI and they are interrelated each other. It just looks like a *vicious circle*, where the genesis cause of a problem couldn't be found clearly. For example, the problems of low of HDI are produced not only by four major factors (low of GDP per capita, low of school gross enrollment ratio, low of literacy rate, and low rate of life expectancy at birth), but also other factors such as low quality of health in general, low of human capital (knowledge, skill, attitude), high rate of unemployment, low rate of household income, etc.

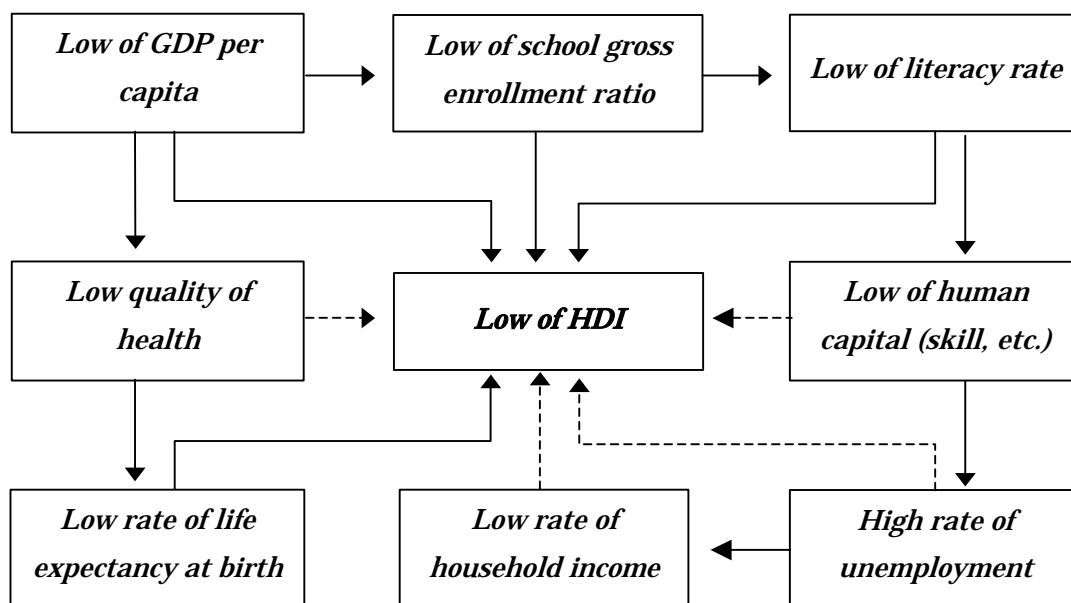


Figure 1: Vicious Circle of the Low of HDI

At the same time, low of GDP per capita would directly lead to low quality in health and low of school gross enrollment ratio. As a result, life expectancy at birth would decrease, while illiteracy rate tends to increase. The next consequence of the last problem is that low of human capital would increase and high rate of unemployment is likely to extend as well. Surely, these conditions potentially construct a problem of low household

income, and, in turn, reduce the peoples' accessibility to social services particularly health and education.

Seeing that the problem of HDI is very intricate, the strategies and policies dealing with this problem should be formulated with multidimensional coverage. In other words, comprehensive policy is needed to counter the complicated problems. In this sense, HDI can only be strengthened through fruitful regulations from education, training and health sector, population control and job opportunity extension, and poverty alleviation as well.

HDI in Indonesia and in West Java Province

Regarding human development index, UNDP (2002) places Indonesia on 110th position of 173 countries for getting 68.4 point, while in the previous year, it shows that of 162 countries observed, Indonesia lies on 102nd position and has only 67.7 point (UNDP, 2001). Although this feature is better than in 1999 (UNDP, 1999) when Indonesia ranked 109 of 174 countries with 64.3 point, but worse than in 1996 (UNDP, 1996) when Indonesia reached the best performance and ranked 99 of 175 countries with 69.0 point. At that time, Indonesia was categorized as *medium human development* country. However, compare to UNDP standard of HDI for developed countries on 80.0 point or more, Indonesia's features are far lagging behind.

As reflected in national level, HDI in provincial level (see table 1) reached the best performance in 1996 but enormously declined in 1999. With special attention to West Java province, Its HDI was 68.2 in 1996, which means under national average (69.0) and ranked at the 14th position among 26 provinces. When general decline took place in 1999, although West Java province went down to 15th position with 64.6 point, but it was able to maintain its performance slightly above the national average (64.3). This figure implies that the economic crisis affected unequally to each provinces. Some provinces were much negatively affected by the crisis than some others. In other words, the impact of crisis on human development varies vastly among provinces.

Table 1. Human Development Index in Indonesia by Province (1996 and 1999)

No.	Province	HDI		Rank	
		1996	1999	1996	1999
(1)	(2)	(3)	(4)	(5)	(6)
1	Nanggroe Aceh Darussalam	69.4	65.3	9	12
2	North Sumatra	70.5	66.6	7	8
3	West Sumatra	69.2	65.8	11	9
4	Riau	70.6	67.3	6	4
5	Jambi	69.3	65.4	10	11
6	South Sumatra	68.0	63.9	15	16
7	Bengkulu	68.4	64.8	12	13
8	Lampung	67.6	63.0	16	18
9	DKI Jakarta	76.1	72.5	1	1
10	West Java	68.2	64.6	14	15
11	Central Java	67.0	64.6	17	14
12	Yogyakarta	71.8	68.7	2	2
13	East Java	65.5	61.8	22	22
14	Bali	70.1	65.7	8	10
15	West Nusa Tenggara	56.7	54.2	26	26
16	East Nusa Tenggara	60.9	60.4	24	24
17	West Kalimantan	63.6	60.6	23	23
18	Central Kalimantan	71.3	66.7	5	7
19	South Kalimantan	63.6	62.2	19	21
20	East Kalimantan	71.3	67.8	4	3
21	North Sulawesi	66.3	67.1	3	6
22	Central Sulawesi	71.4	62.8	18	20
23	South Sulawesi	66.0	63.6	21	17
24	South East Sulawesi	66.2	62.9	20	19
25	Maluku	68.2	67.2	13	5
26	Papua	60.2	58.8	25	25
INDONESIA		69.0	64.3		

Source: Hasbullah (2001)

The middle rank of West Java among other provinces is relatively awkward due to three reasons. *Firstly*, West Java is adjacent province of, or hinterland of Indonesian capital, Jakarta. Jakarta is surrounded by some cities such as Bogor, Bekasi, Karawang, Depok, which are part of West Java province geographically. These cities are exceedingly influenced by Jakarta's economic activities. For instance, peoples who work in offices or companies in Jakarta are West Java's (especially those cities') dwellers. It means that to some extent, peoples' income in West Java depends highly on economic sectors carried out in Jakarta.

Furthermore, the development of infrastructures (toll roads, high-scale electricity, airport, etc.) for supporting economic activities in Jakarta is able to stimulate economic development in West Java as well. It is ironic that West Java couldn't able to utilize its advantages as hinterland of capital to speed up human and economic development. In fact, West Java's HDI is far below the remote province like East Kalimantan, Maluku, North Sumatra, Riau, etc.

The second reason is that from financial spending perspective, West Java allocates more budgets to social service such as education and health than some other provinces. According to data released by Ministry of Finance (2002 – see table 2), West Java is the biggest province after Jakarta and East Java that allocates its budget to social sectors (labor force; education, culture, Youth and Sport; Population and Family Planning; and Health, Social Welfare, Woman and Teenagers).

Finally, public utilities such as schools and clinics are provided better and more sufficient in Java Island and other western region (including West Java) of Indonesia rather than eastern part of Indonesia. Therefore, peoples in this province should be able to access education and health facilities better than those who live in eastern Indonesia. As a result, HDI of West Java should be better than what eastern Indonesian region may have. In fact, eastern provinces like Central and East Kalimantan, North Sulawesi, and Maluku perform much better than West Java with regard to HDI.

Table 2. Expenditure of Social Sectors in 8 Provinces (2002)

Social Sectors	Total Expenditure (Rp. 000)							
	West Java	East Java	Bali	South Klmntan	South Sulawesi	West Nusa Tenggara	Central Java	Jakarta
Labor Force	8.570.000	13.646.541	2.040.000	133.200	6.818.176	1.485.300	11.827.370	24.825.500
Education, Culture, Youth, & Sport	77.599.890	94.000.927	35.600.000	6.860.168	18.022.599	7.556.048	65.886.928	561.515.020
Population & Family Planning	5.900.000	2.000.000	1.000.000	100.000	52.840	400.000	5.271.972	28.529.340
Health, Social Welfare, Woman & Teenagers	76.152.000	87.989.337	21.572.392	17.400.000	10.999.126	10.488.161	63.162.620	370.978.344

Source: Ministry of Finance, Directorate General of Central – Local Government Financial Balance (2002, modified). See at <http://www.djpkpd.go.id/apbd/anggaran/index.htm>

West Java's failure to achieve higher HDI designates that there is something wrong with local government's policies in West Java provinces. However, some objective facts may contribute to the failure; such as number of population and high rate of migration enter to West Java region. In the subsequent part, I will provide an analysis on the difficulties in attaining outstanding HDI in West Java. As stated earlier, the focus of analysis will be concentrated on three aspects of HDI.

Analyzing the Contributing Factors of Low HDI in West Java Province

As a relatively modern region compare to other province, it is reasonable that peoples' prosperity in West Java is somewhat higher than other less developed provinces. In *real expenditure per capita* indicator, for example, BPS (2001) shows that purchasing power parity of people in West Java in 1996 was higher than other provinces except Yogyakarta, Central Java, East Java, and Bali; and same as Jakarta (see table 3). While in 1999, West

Java's position went up to be 'the big four' after Jakarta, Yogyakarta and Bali, and the same as Central Java (see table 4). Unfortunately, in health and education indicators, this province couldn't perform well achievements. Instead, it rested at fifteenth rank with regard to education aspect, and belonged to the lowest six provinces concerning health accomplishments.

Table 3. Trends in Human Development Index in Indonesia by Province (1996 and 1999)

No.	PROVINCE	Life Expect.		Infant Mort. Rate		Literacy Rate		Mean Year of Schooling		Real Expend. per capita (Rp. 000)	
		1996	1999	1996	1999	1996	1999	1996	1999	1996	1999
(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)	(11)	(12)
1	N. Aceh Darussalam	66	68	37	39	90	93	7.0	7.2	576	563
2	North Sumatra	66	67	37	41	95	96	7.5	8.0	577	569
3	West Sumatra	64	66	51	48	92	95	6.9	7.4	587	577
4	Riau	67	68	33	38	93	96	6.9	7.3	579	580
5	Jambi	66	67	39	43	92	94	6.5	6.8	580	574
6	South Sumatra	64	66	34	48	90	93	6.1	6.6	581	564
7	Bengkulu	64	65	36	49	92	93	6.6	7.0	581	577
8	Lampung	65	66	34	46	90	92	5.9	6.4	577	567
9	DKI Jakarta	70	71	20	24	97	98	9.5	9.7	592	593
10	West Java	63	64	47	53	90	92	6.4	6.8	592	584
11	Central Java	65	68	29	36	81	85	5.5	6.0	595	584
12	Yogyakarta	70	71	17	25	80	85	6.9	7.9	612	598
13	East Java	64	66	52	48	78	81	5.5	5.9	594	579
14	Bali	68	70	30	31	79	83	6.3	6.8	609	588
15	West Nusa Tenggara	55	58	75	81	68	73	4.6	5.2	580	566
16	East Nusa Tenggara	62	64	51	56	79	81	5.2	5.7	544	577
17	West Kalimantan	63	64	50	54	80	83	5.2	5.6	571	571

18	Central Kalimantan	68	69	30	32	94	95	6.6	7.1	579	565
19	South Kalimantan	60	61	55	67	90	93	6.1	6.6	587	577
20	East Kalimantan	68	69	38	33	90	94	7.2	7.8	586	578
21	North Sulawesi	67	68	31	37	97	97	7.3	7.6	582	578
22	Central Sulawesi	61	63	57	60	90	93	6.6	7.0	581	569
23	South Sulawesi	65	68	35	36	80	83	6.1	6.5	581	571
24	South East Sulawesi	64	65	34	50	86	87	6.6	6.8	569	572
25	Maluku	63	67	47	40	93	96	7.1	7.6	574	577
26	Papua	63	65	51	52	67	71	5.0	5.6	567	580
INDONESIA		66	66	44	45	86	88	6.3	6.7	587	579

Source: BPS, Statistics Indonesia (2001)

Table 4. West Java Province's Rank in HDI Components among 26 Province in Indonesia (1996 and 1999)

No.	HDI Components	Rank	
		1996	1999
(1)	(2)	(3)	(4)
1	Life Expectancy (years)	20	21
2	Rate of Infant Mortality	20	21
3	Literacy Rate	15	15
4	Mean Year of Schooling	15	15
5	Real Expend. per capita (Rp. 000)	6	4

Source: BPS, Statistics Indonesia (2001); Hasbullah (2001)

From the above tables, it can be determined that West Java's poor performance in developing HDI is an upshot of low quality of health, especially which is showed by low expectancy of life and high rate of infant mortality. Besides, education aspect with particular stressing in literacy rate and mean year of schooling also contributes highly to the low HDI in West Java.

Health Aspect (Life Expectancy and Infant Mortality Rate)

Health sector constitutes the worst among other sectors of development in West Java. Life expectancy of 63 years in 1996 and 64 years in 1999 was under national average of 65.5 years. It was also below all provinces in Java, Sumatera, Bali, Maluku, and most of provinces in Kalimantan and Sulawesi, even compare to Papua, which reached 65 years in 1999. Only five provinces (West and Central Kalimantan, Central Sulawesi, and West and East Nusa Tenggara) performed worse than West Java. In other words, West Java lies in 20th rank among 26 provinces in 1996, and it became poorer in 1999 when it went down to 21st position.

Population factor, which is now 36.15 million people in total with 2.03% / year growth, is one somber obstacles to realize high standard of life through health services improvement. Health services and utilities provided by the government could not cover all peoples properly. In turn, as a result of peoples' disability to access health service optimally, infant mortality rate was still high. As shown in table 3, 47 of 1000 infants die when they were born (1996). Even this situation got worse in 1999 when the numbers of infants die increase to 53. It is really distressing that West Java was in 20th rank in 1996 and 21st in 1999.

In order to minimize such problems, local government's policies should be addressed to create health and friendly environment, so that peoples are able to get clean and safe drinking water, health housing atmosphere, and proper health-related behavior. It is common that traditional people (those who live in village areas) tend to utilize traditional 'doctors' (*dukun*) rather than modern medical staffs. In line with these efforts, governments in all level (local, national, and global/international) need to formulate, and implement, the following policy actions (adopted from International Conference On Population And Development, Cairo, 1994):

- All countries should make access to basic health care and health promotion the central strategies for reducing mortality and morbidity. Sufficient resources should be assigned so that

primary health services attain full coverage of the population. Governments should provide the necessary backup facilities to meet the demand created.

- Countries should aim to achieve by 2005 a life expectancy at birth greater than 70 years and by 2015 a life expectancy at birth greater than 75 years. Countries with the highest levels of mortality should aim to achieve by 2005 a life expectancy at birth greater than 65 years and by 2015 a life expectancy at birth greater than 70 years.
- Governments should ensure community participation in health policy planning, and at the same time, re-examine training curricula and the delegation of responsibilities within the health-care delivery system in order to reduce frequent, unnecessary and costly reliance on physicians and on secondary- and tertiary-care facilities.
- Governments should assess the underlying causes of high child mortality and should, within the framework of primary health care, extend integrated reproductive health-care and child-health services, including safe motherhood, child-survival programs and family-planning services, to all the population and particularly to the most vulnerable and underserved groups.
- All countries should give priority to measures that improve the quality of life and health by ensuring a safe and sanitary living environment for all population groups through measures aimed at avoiding crowded housing conditions, reducing air pollution, ensuring access to clean water and sanitation, improving waste management, and increasing the safety of the workplace.

Education Aspect (Literacy Rate and Mean Year of Schooling)

West Java is also left behind in case of education development for the people. For example, although West Java's literacy rate in 1999 (92%) is better than that in Central Java (85%), East Java (81%) and other provinces in Nusa Tenggara, Bali, South East Sulawesi and Papua as well, it is worse than all provinces in Sumatra (except Lampung which has same score). In addition, Maluku, all provinces in Kalimantan (except West Kalimantan),

and North and Central Sulawesi has higher literacy rate than West Java's. In other indicator, mean year of schooling, similar problems has been materialized. Only few province that perform worse, they are, South Sumatra, Lampung, Central and East Java, and some provinces in eastern Indonesia. Both in literacy rate and mean year of schooling, West Java represented the 15th rank in 1996 and in 1999 as well.

Certainly, there are so many factors contributing to such problems. One of them is school and teacher availability. According to BPS and Department of Education and Culture, West Java Province Office (2001 – see table 5), ratio between pupils and elementary school is 1:201, while ratio between pupils and secondary school / junior high school, senior high school and vocational school is 1:488, 1:474, and 1:629, respectively.

The ratio between pupils and teacher is also awkward, especially for elementary school, where every one teacher serves 58 students. If we calculate school-age children who disable to go school, the ratio will be extremely illogical. This data indicates that education infrastructure (building, teacher, and including teaching materials as well) for basic or primary education is less appropriate than secondary and high school. Now, problem of low rate of literacy has clearly explained.

Table 5. Number of Schools, Pupils, and Teacher in West Java Province (1999-2000)

Type of Schools	Number of School (S)	Number of Pupil (P)	Number of Teacher (T)	Ratio S : P	Ratio T : P
Elementary School	25,276	5,220,680	90,251	1 : 207	1 : 58
Junior High School	2,594	1,265,925	67,240	1 : 488	1 : 19
Senior High School	961	455,074	33,250	1 : 474	1 : 14
Vocational School	568	357,257	18,124	1 : 629	1 : 20

Source: BPS; Department of Education and Culture, West Java Province Office (2001, modified). See at <http://www.bps.go.id/%7Ejabar/pop5.html>

Based on the above table, West Java province government and other district / municipal governments in West Java region need to concentrate their policy on the provision of school in secondary and high level, and at the same time, to increase the number of teachers in elementary school. However, in a more general sense, the following actions are also required in order to accelerate human development.

- All countries should further strive to ensure the complete access to primary school or an equivalent level of education by both girls and boys as quickly as possible, and in any case before the year 2015. Attention should also be given to the quality and type of education, including recognition of traditional values.
- Investments in education and job training should be given high priority in development budgets at all levels, and should take into account the range and level of future workforce skill requirements.
- Education about population issues must begin in primary school and continue through all levels of formal and non-formal education.

Income (GDP per capita) Aspect

From financial perspective, West Java can be seen as an excellent province. As shown in table 4, this province was the sixth rank in 1996 and fourth in 1999 in case of real expenditure per capita. It means that peoples have relatively strong capacity in consumption, or, purchasing power parity is quite high. In addition, as shown in table 6, West Java performed the highest among other 25 provinces from 1996 till 2000 in terms of regional GDP (Gross Regional Domestic Product).

Table 6. Gross Regional Domestic Product at Constant 1993 Prices by Provinces, 1996-2000 (Billion Rupiahs)

Province	1996	1997	1998	1999^{*)}	2000^{**)}
Nanggroe Aceh Darussalam	11.463	11.444	10.385	9.950	9.999
North Sumatra	23.715	25.065	22.333	22.910	24.017
West Sumatra	7.610	8.001	7.459	7.577	7.869
Riau	19.808	20.434	19.644	20.309	21.634
Jambi	3.145	3.268	3.092	3.181	3.251
South Sumatra	13.521	14.207	13.239	13.660	14.468
Bengkulu	1.689	1.741	1.631	1.677	17.743
Lampung	6.914	7.201	6.701	6.874	7.066
DKI Jakarta	66.165	69.543	57.381	57.215	59.492
West Java	68.244	71.569	58.848	60.201	63.150
Central Java	41.862	43.130	38.065	39.395	40.933
Yogyakarta	5.106	5.379	4.777	4.824	5.018
East Java	61.752	64.835	54.399	55.394	57.595
West Kalimantan	6.714	7.220	6.879	7.066	7.275
Central Kalimantan	4.036	4.290	3.993	4.046	4.114
South Kalimantan	5.957	6.236	5.891	6.043	6.334
East Kalimantan	19.792	20.673	20.515	21.482	21.890
North Sulawesi	3.575	3.767	3.678	3.890	4.132
Central Sulawesi	2.213	2.317	2.225	2.287	2.384
South Sulawesi	9.486	9.893	9.366	9.631	10.101

South-East Sulawesi	1.561	1.644	1.549	1.588	1.672
Bali	7.142	7.557	7.251	7.299	7.522
West Nusa Tenggara	3.195	3.363	3.260	3.362	4.511
East Nusa Tenggara	2.686	2.836	2.759	2.835	2.947
Maluku	2.981	3.086	2.903	2.197	2.076
Papua	6.983	7.502	8.456	8.162	8.425
Total all Province	407.315	426.220	376.679	383.056	399.635

*) Preliminary Figures

**) Very Preliminary Figures

Source: BPS (2001) <http://www.bps.go.id/sector/nra/grdp/table2.shtml>

It is unambiguous that income, expenditure or other financial capacity indicators do not cause the low of HDI in West Java. Otherwise, it should support human development. In other words, low of HDI in West Java is not simultaneously produced by all indicators considered. It also means that among three indicators, there is a huge gap between income capacity on the one hand, and health and education quality on the other hand.

Related Aspect to HDI

According to data launched by Manpower and Transmigration Office (2001), the number of workforce labor is 14.4 million people; and 1.031 (7.14%) million people are belong to unemployment. For sure, economic crisis constitutes the main source of the problem. However, the other following factors significantly contribute to such social difficulties (Kompas, Sept. 18 2002):

- Lack of good coordination among local government institution.
- Unskilled and untrained labor force. In this case, 36% of total employment has only primary education, while the other 23% are secondary school graduates. At the same time, cheap vocational trainings are very rare.

- High population growth, which is 2.03% per year. 1% of it is natural growth (fertility rate) and the rest is migration movement. It means that cities in West Java are favorite destination for urbanization. Unfortunately, new comers from outside region have relatively better skill than indigenous dwellers. As a result, West Java's citizens are not able to compete with them, and in turn, employment are getting higher and higher.

In order to minimize the number of unemployment, government should carry out comprehensive development policies and strategies, which at least, cover the following actions:

- Governments should work to increase awareness of population and development issues and formulate, implement and evaluate national strategies, policies, plans, programs and projects that address population and development issues. Family planning and population growth controlling policies should be maintained properly.
- Government should provide more labor-intensive projects instead of capital-intensive projects. Government is also demanded to provide low-interest loan / grant based on revolving systems. Related to this effort, informal sectors need to be more promoted. In other words, SME/SMI's such as household industries should be functioned as an alternative ways to accommodate high number of workforces.
- Government needs to study the possibility to launch "Ruralization Program", that is, program to keep young peoples work in their village or in agricultural sector, to provide modernization technology and other social utilities, to maintain good price of agricultural products, etc.
- Implementation of "Mix or Cross-sectors Policies" (agro-tourism, agro-based industry). This program is very effective to create "cross support" system among sector of development.
- Education programs in general should be strengthen with emphasize on the vocational training for primary and secondary graduates.

Concluding Remarks

From time to time, problems concerning human capital, human capacity, and human development constitute serious matter for developing countries. In fact, human resources are the key factor for improving economic growth and social welfare. Therefore, systematic policy or programs on human capital development need to be formulated. However, although most of governments in the world – including Indonesia – have pay much attention to develop their human resources, the complexity in building high competence of people is not automatically resolved.

In the case of West Java province of Indonesia, the low of human capacity as indicated by HDI (human development index) is mainly contribution of poor performance of health (life expectancy and infant mortality rate) and education (literacy rate and mean year of schooling) development. This situation is not caused merely by improper provision of basic health and education infrastructure, but also by other factors such as population matters (high growth of population, unemployment, etc.). In addition, an unexpected condition like economic crisis might occur abruptly and deteriorate the previous achievements. Therefore, to minimize the problems and their spreading impacts on other sectors, and at the same time to increase the HDI, inter sectoral and multidimensional policies are required.

Finally, in the context of human development, a certain country or province needs to have good network with other countries and provinces, and with private / business sectors as well. A fruitful cooperation among them (government, private sector, international agencies, and civil society) will fairly ensure the attainment of developmental goals.

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