

Research Article

The Impact of Educational Conditions on Income Inequality and Economic Growth in South Sumatra

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Abstract.

Before and during the COVID-19 pandemic, income inequality and economic growth in South Sumatra experienced fluctuating conditions that could hinder learning and education activities. This study aims to examine the effect of educational conditions, consisting of the average length of school (RLS), literacy rate (AMH), pure participation rate (APM), and percentage of 15+ population of senior high school level (PPTP) on income inequality and economic growth in South Sumatra. Data were obtained from the BPS-Statistics of South Sumatra. The current study implemented panel data regression analysis on cross-sectional data from 16 cities/regencies in South Sumatra and time series 2017–2021. The research findings in the first equation show that RLS has a significant effect on reducing income inequality. AMH, APM, and PPTP do not significantly reduce income inequality. The second equation shows that APM and PPTP have a significant effect on economic growth, while RLS and AMH have no significant effect on economic growth. The influence of education on several of these factors has not reduced income inequality and economic growth caused by the COVID-19 pandemic. Apart from that, the APBD's focus has been redirected to coping with the COVID-19 case; therefore, education has received less attention for this condition. Regional government efforts need to be increased by utilizing school operational assistance for people experiencing poverty and increasing the allocation of education funds above 20% so that compulsory education becomes 12 years.

Keywords: COVID-19, economic growth, income inequality, length of school average, pure participation rate

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1. Introduction

Education is one of the critical indicators and has a role in reducing income inequality and the success of national development because education shows the general performance of a country's population. Improving the economy and reducing income inequality is indispensable for increasing the welfare of all people in various countries. The quantity and quality of human resources are one of several aspects that determine income inequality reduction and economic growth. The quality of human resources is influenced by the education sector, which can have a multiplicative effect on a nation's

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economic growth since higher educational standards are desired by society, which increases the standard of human resources.

Improving the quality of human resources will improve people’s welfare and, in the end, equalize income so that economic growth will be higher. It is time for education to no longer be used as consumption or financing but to be viewed as a long-term investment whose return value cannot be enjoyed directly at this time but will be realized in the future [1] According to [2], education is essential for an economy’s ability to grow, sustain sustainable development, and adapt to modern technology in then try that prioritizes the education of its citizens, *ceteris paribus*, obtains more excellent economic growth more significant one that does not [3].

South Sumatra is a province that has a wealth of energy, culture, and food sources. Several areas in South Sumatra still have social inequalities when viewed from the perspective of income distribution and economic growth. Based on [4] Gross Regional Domestic Product (GRDP) per capita, a proxy for economic growth, South Sumatra ranks third in the highest economic rate on the island of Sumatra in 2021. However, this condition is inversely proportional to the state of income inequality in South Sumatra. According to the Gini ratio, a proxy for income inequality, South Sumatra has had the highest Gini ratio on the island of Sumatra in recent years [5]. Annual economic growth in South Sumatra is increasing; however, the Gini ratio has increased just slightly (Figure 1).

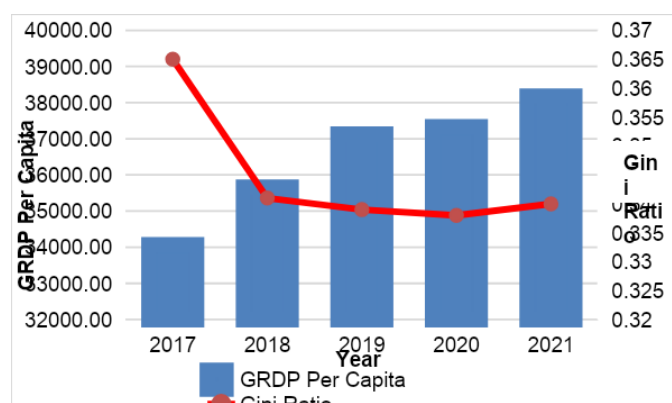


Figure 1: Conditions of Income Inequality and Economic Growth in South Sumatra. Source: BPS-Statistics of South Sumatra (2023a, 2023b).

Economic growth and the decrease in income inequality can be influenced by educational conditions [6]. Indicators of the educational condition in this study include the length of school average (RLS), literacy rate (AMH), pure participation rate (APM), and percentage of population 1 the 5+ above senior high school level (PPTP). The higher the quality of education, the more income inequality will decrease [7-12] Additionally,

according to several studies [13, 14, 15, 6, 16] as well as [17] education can affect the economic growth of regions and nations.

There is a research gap in the theories and findings of earlier studies that other researchers have looked at, namely the findings that educational conditions have no impact on income inequality [18, 8, 19, 1, 20, 21]. Thus, the novelty of this study can be formulated, namely, research that comprehensively examines and determines the effect of educational conditions (RLS, AMH, APM, and PPTP) on income inequality and economic growth in South Sumatra.

2. Theory, Literature Review, and Hypothesis

2.1. Relation to Educational Conditions

Education is crucial for advancing knowledge in society, which will eventually affect the growth of a country's economy, particularly in developing countries. Education develops ideas and creativity to enable every workforce to be more productive and take use technological breakthroughs to increase productivity. Theoretical models and empirical studies have revealed the impact of educational conditions on income inequality and economic growth. According to the theory of human capital, which examines the connection between education and economic growth, both factors are positively correlated [2] Additionally, there is a correlation between income inequality and education in several countries [9, 6].

Educational conditions are essential for income inequality and economic development in Indonesia because they increase the productivity of human resources. These resources will result in workers with a higher level of school graduation receiving higher wages than those with lower levels of school graduation. Productivity will lessen income inequality and aid in expanding the national economy if the wages received by workers represent work productivity.

2.2. The Relationship between Educational Conditions and Income Inequality

Income inequality in the regions indicates prosperity and income distribution between regions. Technically, the measurement is done by sorting the population from the lowest per capita expenditure to the highest per capita expenditure, and then the frequency percentage and the cumulative percentage are calculated for the population receiving

income. The range of the Gini ratio is 0 to 1. Income inequality is better when the number is lower or closer to 0, whereas income disparity is more significant when the number is higher or closer to 1. Simon Kuznets hypothesized that there is an inverted U-curve where, at first, when development distribution will be far unequal. Still, after when development begins reaching a certain level of development, it will become more even [2] Various driving factors, such as labor, the quality of education, and the government, determine the hypothesis.

Based on the description above, educational conditions are expected to reduce income inequality in South Sumatra. The educational conditions in this study consisted of RLS [8] [9, 6, 11, 7, 12, 9, 18, 8, 9, 19]. Based on the background and literature studies that have been described, a hypothesis can be drawn between educational conditions and income inequality, namely:

H₁: RLS has a significant negative effect on income inequality,

H₂: AMH has a significant negative effect on income inequality,

H₃: APM has a significant negative effect on income inequality,

H₄: PPTP has a significant negative effect on income inequality.

2.3. The relationship between educational conditions and economic growth

Economic development objectives include real national income and productivity growth [2]. Sukirno adds that economic growth is increasing per capita output continuously over a long period [28]. Increasing and sustainable economic growth positively impact economic equality and social welfare. Economic growth in the region and/or country is one of the metrics for success in development.

A region's economic growth can be assessed using its GRDP per capita. Based on [4] B the calculation of GRDP per capita is the division of the value of GRDP by the total population of an area in the middle of the year. The higher a region's GDP per capita value, the more it indicates increasing economic growth. It is anticipated that raising educational standards will strengthen the regional economy. It is consistent with earlier studies by [14, 15, 6, 16] that increasing the RLS may improve revenues and the regional economy.

Additionally, it is anticipated that AMH will boost the economy as an indicator of public literacy. It is consistent with studies by [17, 22] which found that AMH significantly impacted the economy's growth. As an instrument, APM looks at the condition of education, affecting economic growth [13, 17]. Additionally, PPTP contributes to economic

growth in several countries [17, 22] Yeoh & Chu, 2012). However, this condition differs from other studies that reveal that education does not affect economic growth [1, 20, 21]. Concepts from previous backgrounds and theories related to educational conditions and economic growth were used to formulate hypotheses to answer this study, as follows:

- H₅: RLS has a significant positive effect on economic growth,
- H₆: AMH has a significant positive effect on economic growth,
- H₇: APM has a significant positive effect on economic growth,
- H₈: PPTP has a significant positive effect on economic growth.

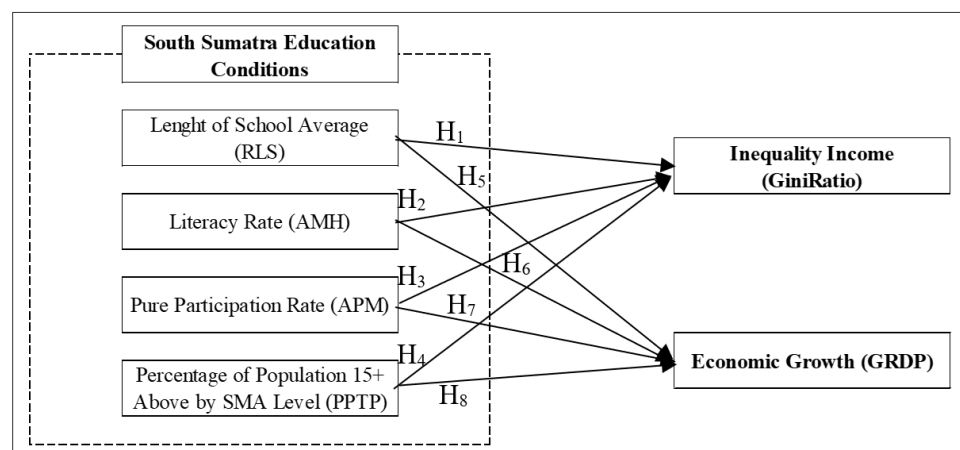


Figure 2: Research Framework.

3. Research Methods

3.1. Types of Data and Research Models

RLS, AMH, APM, and PPTP construct the educational condition, as an independent variable. The dependent variables are income inequality and economic growth. Research data was obtained from BPS-Statistics of South Sumatra. This study was analyzed using a panel data regression model with time series data for 2017–2021 and cross-sectional data, namely cities and regencies in South Sumatra. This method can examine the effect of independent variables on the dependent variable of an object during the research period [23]. Based on the description above, two regression models were obtained in this study, including:

$$\text{GiniRatio}_{it} = \beta_0 + \beta_1 \text{RLS}_{it} + \beta_2 \ln \text{AMH}_{it} + \beta_3 \ln \text{APM}_{it} + \beta_4 \ln \text{PPTP}_{it} + \epsilon_{it}$$

$$\text{GRDP}_{it} = \beta_0 + \beta_5 \text{RLS}_{it} + \beta_6 \text{AMH}_{it} + \beta_7 \text{APM}_{it} + \beta_8 \text{PPTP}_{it} + \epsilon_{it}$$

Where, GiniRatio is the Gini ratio (a proxy of income inequality), GRDP is the gross regional domestic product per capita (a proxy of economic growth), β_0 is a constant, $\beta_1 - \beta_8$ is the regression coefficient, RLS is the average length of schooling, AMH is the literacy rate, APM is the pure participation rate, PPTP is the percentage of population 15+ above senior high school level, ϵ is the term error, l is the city or district, t is the year (2017 – 2021), and \ln is the natural logarithm.

3.2. Regression Model Selection

The econometric model selection aims to select the best research model that meets statistical requirements. The three models are the common effect model (CEM), often called partial least squares, the fixed effect model (FEM), or least squares dummy variable, and the random effect model (REM), which has the advantage of overcoming uncertainty in the FEM model [23].

The three models formed are then carried out in the best regression model selection stage. Chow, Hausman, and Lagrange Multiplier (LM) testing evaluated model selection. The Chow test selects two models between CEM and FEM by checking the cross-sectional Chi-square value at the 5% significance level [23]. Hausman test to choose the FEM or REM model by looking at random cross-section values at the 5% significance level [23]. The LM test identifies two models of CEM or REM by looking at the Breusch-Pagan value at the 5% significance level [23].

3.3. Classical Assumption Testing

The F test, t test, and coefficient of determination are needed to assess the feasibility of the research model [23]. F test to see if, simultaneously, the independent variable has a significant effect on the dependent variable. The t test determines the partial effect of the four independent variables on the dependent variable in the selected econometric model. The coefficient of determination test measures the clarity level of the four independent variables capable of describing the dependent variable.

4. Results and Discussion

4.1. Results

The process of selecting the model provides the best regression model estimation. The first model looks at how education affects South Sumatra’s economic inequality. The Chow test obtained a probability value of 0.0000 or below the significance level of 0.05, then H_1 was accepted, and we proceeded to the second test. If the probability value on the Hausman Test is 0.2690 (> 0.05), then H_1 is accepted and continued with the final test, namely the LM Test. If the probability value in this test is 0.0001 (< 0.05), then H_1 is accepted. So the REM model is the chosen regression model for testing the income inequality model hypothesis.

The second model is the condition of education on per capita GRDP in South Sumatra. In the Chow test, if a probability value of 0.0000 (< 0.05) is obtained, then H_1 is accepted. The second test, the Hausman Test, obtained a probability value of 0.2945 (> 0.05), then H_1 accepted and continued with the LM test. If the LM test probability value is 0.0000 (< 0.05), then H_1 is accepted. The panel data regression model chosen for this study’s testing of the second model hypothesis is REM.

TABLE 1: Regression Model Selection Test and Classical Assumption Test.

	Model 1: Income Inequality		Model 2: Economic Growth	
Test	Regression Model Selection			
	Probability	Model Decision	Probability	Model Decision
Chow	0.0000*	FEM	0.0000*	FEM
Hausman	0.2690*	REM	0.2945*	REM
LM	0.0001*	REM	0.0000*	REM
	Classic assumption test			
Normality	0.9368*		0.9554*	
Multicollinearity	Independent variables $< 0.85^{**}$		Independent variables $< 0.85^{**}$	

Note: significant level 5% (*), multicollinearity level 0.85 (**)

The first and second models selected in this study are REM, respectively, and then the classical assumptions are checked (Table 1). The first model, states that it is free from normality deviations with a value of 0.9368. The multicollinearity test for the four independent variables is less than 0.85. The classic assumption test for the second model, the normality test value of 0.9554, indicates that the research data is normally distributed. The multicollinearity test between independent variables is below 0.85 and free from multicollinearity violations. According to [23] the REM model is free from violations of heteroscedasticity and autocorrelation because the model has been

weighted with a cross-section weight. The study’s first and second models are declared free from classical assumption deviation problems.

In the first model, the dependent variable’s variance can be represented in terms of the independent variables with a coefficient of determination of 19.96%; various other variables explain the remaining 80.04% of the variance. Additionally, the second model’s coefficient of determination of the dependent variable’s variance, represented in terms of the independent variables, is 26.41%; other variables explain the remaining 73.59%. After checking the two research models, test the significance of the parameters. The probabilities for the first and second model equations are, respectively, 0.0003 and 0.0000 (both F-statistic probability values < 5%), according to the findings of the F-statistic test. These two values mean that at least one independent variable correlates with the dependent variable. The two models simultaneously correlate RLS, AMH, APM, and PPTP and their respective dependent variables: income inequality and economic growth.

TABLE 2: Research Estimation Results.

Variable	Coefficient	Probability	Research Decision	Parameter Significance Test	
Model 1: Income Inequality					
RLS	-0.0232	0.0230*	H ₁ is accepted	R ²	0.2402
AMH	0.2435	0.7108	H ₂ is rejected	Adj.R ²	0.1996
APM	0.0451	0.5320	H ₃ is rejected	F-Statistics	2.1443
PPTP	-0.0515	0.1146	H ₄ is rejected	Prob(F-Statistics)	0.0003*
Model 2: Economic Growth					
RLS	3750.348	0.3552	H ₅ is rejected	R ²	0.3014
AMH	-215.8130	0.8703	H ₆ is rejected	Adj.R ²	0.2641
APM	1193.573	0.0009*	H ₇ is accepted	F-Statistics	8.0879
PPTP	706.1784	0.0202*	H ₈ is accepted	Prob(F-Statistics)	0.0000*

Note: significant level 5% (*)

The RLS variable has a statistically significant correlation with income inequality, according to the first model’s t-statistic test results. The second model’s t-statistic test results revealed a significant relationship between two independent variables, namely APM and PPTP, and economic growth. Based on Table 2, the research model equation can be written as follows:

$$\text{GiniRatio}_{it} = -0.9991 - 0.0232 \text{RLS}_{it} + 0.2435\ln\text{AMH}_{it} + 0.0451\ln\text{APM}_{it} - 0.0515\ln\text{PPTP}_{it}$$

$$\text{GRDP}_{it} = -57572.48 + 3750.348\text{RLS}_{it} - 215.8130\text{AMH}_{it} + 1193.573\text{APM}_{it} + 706.1784\text{PPTP}_{it}$$

4.2. Discussion

The educational conditions in South Sumatra vary for each region; Palembang City has better educational conditions than other regions [24]. In addition, Palembang City has the second-highest per capita GRDP after Muara Enim Regency and has the highest Gini ratio of all the regions in South Sumatra [2, 3]

4.2.1. The Influence of Educational Conditions on Income Inequality

The average length of schooling (RLS) is the first educational factor identified in this study. RLS is the number of years the community uses to undergo their education. Based on the estimation results in Table 2, it is known that RLS has a coefficient value of -0.0232, meaning that an increase in RLS of 1 unit will reduce income inequality by 0.0232%, assuming *ceteris paribus*. If, in the significance test, a probability of 0.0230 (< 5%) was obtained, then H1 is accepted. It was concluded that RLS negatively and significantly affected income inequality in South Sumatra. The longer it takes for the school community to reach a higher level, the level of income inequality in various regions of South Sumatra will decrease.

The presentation of the study's findings is corroborated by earlier research by [8] who discovered that increasing educational attainment and length of schooling have a beneficial impact on decreasing income inequality. [6] added that inequality in access to education is influenced by income per capita, local government spending on education, and income inequality. Reducing income inequality is a powerful instrument to reduce inequality in the average length of schooling for people experiencing poverty.

In addition, [9, 11] Shahabadi et al. (2018) also stated that increasing study time or the length of time in school has proven to be a tool for overcoming income gaps. This situation demonstrates that the South Sumatra regional government has developed educational policies connected to the typical length of schooling, which helps reduce income inequality. [25] the average schooling time has increased annually and has been rising alongside each region's per capita GRDP.

AMH is the second variable in looking at the effect of education on income inequality in South Sumatra. AMH is the proportion of people aged > 15 who can write and read simple sentences in Latin and other letters. Table 2 shows AMH has a positive

coefficient value of 0.2435, meaning that an increase in AMH by 1 unit will increase income inequality by 0.2435%, then H_2 is rejected. The findings of this study are that AMH has a positive but insignificant effect on income inequality in South Sumatra.

The results of this study are not in line with previous research, which states that the illiteracy rate is strongly related to life expectancy and can eliminate the effect of income inequality in Brazil [10, 7] argue that the trade literacy rate negatively and significantly affects income inequality. On the other hand, research from [19] demonstrates that education level does not affect income inequality in the regions, supporting this study's findings. Policies to increase the participation of the local education office to eradicate illiteracy and teach people to write are needed directly in the community. It is critically necessary to provide educational guidance at the village level to inform residents of the value of studying and attending a higher level of education to increase their living and income.

APM is the percentage of the ratio between students of a certain school age at the level of education and people of the appropriate age. The study results show that APM has a positive but insignificant effect on income inequality. In Table 2, the APM obtained a coefficient value of 0.0451 and a probability value of 0.5320 (> 0.05), and then H_3 is rejected. This condition indicates that the higher the APM, the more regional income inequality will increase.

The results of this study were not strengthened by previous research from [12], which states that school participation rate has a significant effect on income inequality. Nevertheless, the results of this study are consistent with research that explains a positive relationship between income inequality and school participation [8]. The difference between research results and theory is that, in real terms, the pure participation rate of school students does not guarantee a reduction in income inequality. Schools in Indonesia are only concerned with the number of students attending school without increasing the quality of education for students. The participation of parents is needed to help children go to school. Additionally, the local government and the local education office are allowed to create policy formulations that encourage the public to enroll in school based on their age.

PPTP is the final variable in this study's analysis that reflects educational conditions. PPTP is the percentage of students who have taken an appropriate level of education according to their age range. Based on the analysis results, a coefficient value of -0.0515 is obtained, meaning that an increase in PPTP of 1 unit will reduce income inequality by 0.0515%, assuming *ceteris paribus*. If the probability value in the significance test is 0.1146 (> 0.05), then H_4 is rejected. This condition indicates that the increase in PPTP

does not significantly reduce income inequality in South Sumatra. The results of this study disagree with several earlier studies from [9] and [11] that showed a relationship between decreasing income inequality and either the percentage of high school pupils who are 15 years old or the duration of schooling.

On the other hand, this study's results align with research that explains that many residents who attend school for a long time up to a higher level have not affected income distribution [8]. According to [18], the higher the quality of human resources, the higher the percentage of unemployed, because these human resources are looking for jobs with high income and according to diploma expertise, even though the availability of job vacancies and the income provided are not as expected. If this keeps happening, regional income inequality will rise.

Several educational conditions in South Sumatra do not affect reducing income inequality and will cause difficulties for human resources to compete with human resources from other regions and even abroad (foreign workers). Regional governments in South Sumatra can directly support the community with educational activities by using special allocation funds for education. The policy of nine years of mandatory education has been changed to twelve years of mandatory education so that students can receive free higher education. According to [2], education is a long-term investment and basic capital for forming superior human resources capable of increasing people's income.

4.2.2. The Influence of Educational Conditions on Economic Growth

The first model in this research follows the same pattern; RLS was the first educational condition to be examined. The estimation results in Table 2 show a coefficient value of 3750.348, meaning that an increase in RLS by 1 unit will increase the average economic growth by 3750.348%, assuming *ceteris paribus*. If the probability value in the significance test is 0.3552 ($> 5\%$), then H_5 is rejected. The study results indicate that RLS has a positive but insignificant impact on South Sumatra's economic growth.

Research from [15-16] which suggests that the average length of schooling has a significant positive effect on economic growth, does not support the findings of this study. [6] added that an increase in per capita income in Lampung Province had the strongest effect on reducing educational inequality in the average length of schooling for people experiencing poverty. On the other hand, the results of this study are consistent with research that indicates that the average length of schooling for students has not affected economic growth [20]. [1] argue that the average length of schooling on various

major islands in Indonesia, such as Java, Sumatra, Kalimantan, Sulawesi, and Bali-Papua, does not affect economic growth.

This condition shows that a school's length does not ensure that it will produce quality students. The education curriculum is one of the remaining flaws in Indonesian schools. Despite having different skills and weaknesses, all students must learn all subjects because the curriculum is theoretical. A balance between theoretical and practical learning is expected in Indonesian education for students.

The next factor in this study's analysis of the state of education is AMH. Based on the estimation results in Table 2, AMH has a negative coefficient value of 215.8130, meaning that an increase in AMH by 1 unit will reduce per capita GRDP by 215.8130%, then H_6 is rejected. The findings of this study state that AMH has no significant influence on economic growth in South Sumatra. This finding does not align with research that states that increasing literacy affects on the economy in low-income countries [17]. According to [22], the effect of structural changes on the education system and literacy is the key to advancing the Chinese nation.

Nevertheless, the results of this study are consistent with other studies that state that literacy rates have not affected on increasing the aggregate economy of several large islands in Indonesia [1]. [21] the relationship between education and the economy in Spain is nonlinear. This situation results from increased productivity; in addition to literacy abilities, other suitable skills are required to support the work needed. The fact is that there are still relatively few schools that offer the practical skills required in the workplace and instead solely concentrate on teaching the ideas outlined in Indonesia's national curriculum.

Based on the estimation results in Table 2, it is known that the APM has a coefficient value of 1193,573, meaning that an increase in the APM of 1 unit will increase economic growth in South Sumatra by 1193,573%, *ceteris paribus*. In the significance test, if a probability value of 0.0009 (< 5%) is obtained, then H_7 is accepted. It was determined that APM significantly and positively impacted South Sumatra's economic growth. The higher the pure participation rate according to age, the greater the economic growth in various regions of South Sumatra.

The results of this study are strengthened by previous research, which states that the pure participation rate of the community in school has a positive and significant influence on economic growth [13, 17]. The community's access to higher education will significantly influence the country's economic growth [26, 27]. The local government and the community in South Sumatra have contributed to the world of education, especially

in APM, where the proportion of students who are old enough to be in school and who are educated to a specific level is adequate.

PPTP is the last variable used in this study to assess educational conditions. Based on the analysis results, a coefficient value of 706.1784 is obtained, meaning that an increase in PPTP of 1 unit will increase economic growth by 706.1784%, *ceteris paribus*. While the probability value in the significance test is 0.0202 (< 0.05), then H_8 is accepted. This circumstance suggests that the rise in PPTP significantly impacts South Sumatra's GRDP per capita. The findings of this study are consistent with previous research, which indicates that the percentage of population 15+ above their education level significantly affects economic growth [17, 22].

The higher the percentage of people aged 15 years and over based on the minimum level of education at the senior high school level, the more it will have an impact economic growth in the region. Almutairi informs us that a country that invests in education will produce a quality and skilled workforce to improve the economy [29]. Community awareness and local government policies have positively impacted the PPTP variable, so that later it will increase the number of high school-level human resources needed to apply for company positions.

5. Finding and Conclusion

Several conclusions may be derived from the research based on the description of the study's findings and discussion on the impact of education on income inequality and economic growth in South Sumatra. The findings of the F-Statistics test stated that educational conditions influenced income inequality and economic growth in South Sumatra. The results of the t-statistical test stated that the RLS variable partially had a significant effect on income inequality in South Sumatra. On the other hand, other variables, namely AMH, APM, and PPTP, do not affect income inequality. Meanwhile, the second model states that the APM and PPTP variables partially have a significant effect on economic growth in South Sumatra. The RLS and AMH variables do not affect economic growth.

Different local government policy formulation elements lead to variations in research findings relating to educational conditions, income inequality, and economic growth. Education is a long-term investment for the country, so a decrease in income inequality cannot be felt in the short term, but in general, it can improve the economy. The local government in South Sumatra is expected to be able to utilize special allocation funds for education and school operational assistance (BOS) to improve the quality of the

education curriculum, students' interest in going to school, and the soft skills of teachers in the regions, as well as add educational infrastructure to support practicum in schools. The policy of nine years of mandatory education in South Sumatra can be changed to twelve years of mandatory education when special allocation funds for education grow by 20%. This policy will allow public education to improve and be competitive with other countries in the era of globalization.

6. Implications, Limitations, and Suggestions

The results of this study prove the implication for accounting firms which are expected to carry out various efforts such as improving communication between superiors and subordinates, providing awards and recognition for employee achievements, and providing clear career development opportunities to optimize the auditor's organizational commitment to accounting firms. In addition, it is also necessary to explain the duties and responsibilities through employee training and development programs, as well as implementing consistent policies and procedures to minimize the role stress felt by the auditor. Based on attribution theory, this turnover intention behavior is an action that influenced by both external and internal factors.

This research still has some limitations as our study employs g-forms, the respond inflexible and do not observe in-depth. The R Square 0.446, which means that there are other variables that influence the intention of auditors to switch. Refers to the answers of open-ended questions in questionnaire, some of these variables are salary, environment, and career path which can be used in further research. Future study should validate the findings using other method of research like experiment or qualitative approach, to answer why such phenomena exist.

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