

## Determinants Of Human Development Index In Papua Province 2012-2021

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### ABSTRACT

The Human Development Index (HDI) aims to emphasize that a country's development assessment should be based on the capabilities of its population. Papua, as the province with the lowest HDI in Indonesia, reflects the poor level of living and human development in Papua. Although Papua is a special autonomous region that receives an allocation of funds, its public services and people's welfare still lag behind other provinces in Indonesia. The purpose of this study is to understand how Special Autonomy Funds, Sharia Financing, Information and Communication Technology (ICT), and Average Length of School (ALS) affect the Human Development Index. This study uses Error Correction Model (ECM) as an analysis method. The results showed that ICT did not have a significant effect on HDI, Special Autonomy Fund had a negative influence in the short term and a positive influence in the long term, Average School Year had a positive influence in the short term and a negative influence in the long term, while Islamic Bank Financing had a positive influence both in the short and long term.

Keywords: Average Length of School, Human Development Index, Information and Communication Technology, Sharia Financings, Special Autonomy Funds.



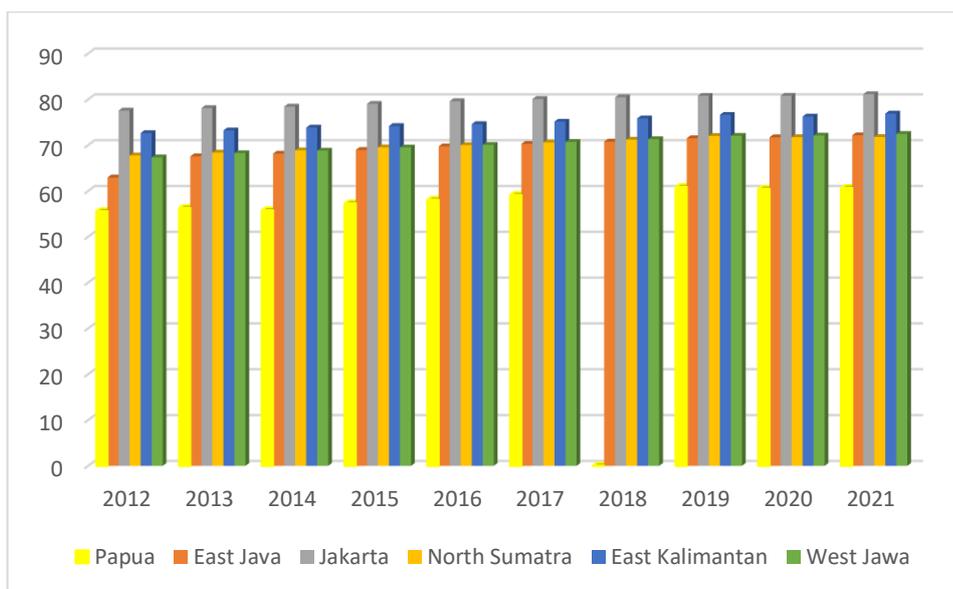
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### INTRODUCTION

The success of a country's development is contingent on economic growth, a critical indicator that reflects the increasing value of output over time. This growth is achieved through the effective integration of diverse resources, including institutions, human capital, and financial resources, all of which contribute to the development and utilization of capital. (Erdkhadifa, 2022). Achieving success in a country's development necessitates the presence of high-quality human resources that undergo comprehensive human development. Human development represents a systematic process aimed at realizing the welfare objectives of individuals by expanding their functions and capabilities (Saputra et al., 2022). Indeed, the Human Development Index (HDI) is a crucial parameter used to measure the success of development in a region or country. HDI takes into

account various factors such as life expectancy, education, and per capita income to provide a comprehensive assessment of human well-being and development progress. It serves as a valuable tool for evaluating the overall quality of life and societal development within a specific area (Syawie, 2014). Human development index, as defined by the United Nations Development Program (UNDP) in the Human Development Report of 1996, is a process that seeks to enhance various aspects of people's lives. The Human Development Index (HDI) is designed to emphasize that the primary criterion for evaluating a country's development should be based on the capabilities and well-being of its population. In essence, HDI shifts the focus from purely economic indicators to a more holistic assessment that considers factors such as education, health, and income to gauge the overall development and welfare of a society. (Saputra et al., 2022).

According to the data from BPS (Statistics Indonesia) in 2021, the Human Development Index (HDI) in Indonesia was at its lowest in the province of Papua during the period from 2012 to 2017. During this time, Papua's HDI value was below the standard threshold, measuring less than 60 percent. While from 2018 to 2021, the HDI value improved and exceeded 60 percent, Papua province continued to have the lowest HDI ranking among all provinces in Indonesia. This data highlights the challenges and disparities in human development within the province of Papua during this period.



**Figure 1. HDI values in 6 provinces**

Source: BPS 2023

Based on Figure 1 illustrates that among the six provinces examined, Jakarta Province and East Kalimantan Province have the highest HDI values, placing them in the high HDI category (HDI ranging from 80 to 70). In contrast, East Java Province, North Sumatra Province, and West Jawa Province fall into the medium HDI category (HDI ranging from 70 to 60), while Papua Province is the only one categorized as having a low HDI (HDI below 60) according to the BPS 2023 report. When assessing the trend in HDI values from 2012 to 2021, it's evident that Papua Province has experienced a gradual increase in HDI. However, despite this improvement, the HDI value for Papua Province remains in the low category, indicating that there is still substantial room for development and improvement in this region compared to the other provinces.

The significant gap between Jakarta and Papua Province highlights the substantial disparities in development within Indonesia. Papua's status as a province with the lowest HDI value signifies

lower quality of life and human development compared to other regions in the country. The existence of such disparities and uneven development has prompted the allocation of Special Autonomy Fund assistance to Papua Province, aimed at improving the standard of living and overall well-being of its residents. These efforts underscore the challenges and priorities in addressing development inequalities and enhancing human development in Papua (Fahrudin, 2022). The lack of significant changes despite the existence of the Special Autonomy Fund can be attributed to various factors, including the imbalance in funding allocation and potential errors in the selection of programs and activities. These issues have resulted in inadequate progress in improving the condition of Papua Province. As a consequence, public services and the welfare of the Papuan people continue to lag behind compared to other provinces in Indonesia. Addressing these challenges and ensuring the effective utilization of the Special Autonomy Fund is essential to achieve the intended development outcomes and uplift the standard of living in Papua.

In Indonesia, the allocation of special autonomy funds and the Human Development Index (HDI) have not been in equilibrium, and this imbalance is influenced by the quality of human resources. This observation aligns with findings from research conducted by Juliarini & Hatmoko, (2020) Special autonomy funds have been determined to not have a significant effect on the Human Development Index (HDI), as indicated by the research conducted by Isnadi & Fikriah (2019) and Iskandar (2017) Special autonomy funds have been found to lack a significant effect on the Human Development Index (HDI), as suggested by the research you mentioned. This indicates that, according to the research, these funds may not have a substantial impact on improving human development outcomes.

In addition to special autonomy funds aimed at promoting community empowerment, the presence of Sharia banking financial institutions plays a significant role in driving economic growth and enhancing the standard of living in the Papua region. The current state of Sharia banking in Papua indicates that the public is already familiar with and understands Sharia banking principles. Furthermore, people in the region actively use Sharia banking products, with one of the most frequently utilized products being Sharia banking financing. These financing products are made available through the financial intermediation function of Sharia banking institutions, and they play a crucial role in maintaining national financial stability while adhering to Sharia principles and ethical standards. This enables individuals and businesses in Papua to access financial resources for various purposes in a manner that aligns with their values and beliefs (Amalia et al., 2019).

Indeed, the financing extended by Sharia banking institutions can significantly influence and stimulate economic activities such as the production of goods, processing of raw materials, and expansion of trade volumes. This financial support plays a vital role in providing businesses and entrepreneurs with the necessary capital to invest in their operations and grow their economic activities. The ultimate goal is to foster economic growth through Sharia banking financing, which, in turn, is expected to contribute positively to the Human Development Index (HDI). As economic growth expands and strengthens, it has the potential to generate more opportunities for employment, increase income levels, and overall enhance the standard of living. These improvements in economic and living conditions are key drivers in raising HDI and improving the overall quality of life for the population. Based on Nurdany (2016) and Abduh & Azmi Omar (2012) In their research, it has been stated that Sharia banking financing has a significant and positive effect on community welfare. This finding underscores the role of Sharia banking in contributing to the well-being and quality of life of the community it serves. It's interesting to note that the findings in your current research differ from the research conducted by Atika (2018). Atika's research suggested that Sharia banking financing does not have a significant effect on community welfare, implying that there may be variations in outcomes based on different research methodologies, contexts, or timeframes. Indeed, economic growth is influenced by a combination of factors, including production, technological advancements, trade, and more. The integration of technology into economic activities can enhance productivity, create new opportunities, and

improve overall welfare, which, in turn, can contribute to positive changes in the Human Development Index (HDI) over time. Absolutely, Information and Communication Technology (ICT) plays a crucial role in not only boosting the economy but also improving the quality of human resources and overall human development. In underdeveloped regions like Papua Province, investing in ICT infrastructure and literacy is essential for advancing economic growth and enhancing the Human Development Index (HDI). Access to ICT services, digital literacy, and the integration of technology into various sectors can lead to improvements in education, healthcare, employment opportunities, and overall quality of life. Conversely, a lower HDI value may indicate a lack of ICT infrastructure and access, highlighting the need for targeted interventions to bridge the digital divide and foster human development in such regions. (Al-Mursyid, 2019).

The data from BPS in 2021 indicates a significant disparity in Information and Communication Technology (ICT) between regions in Indonesia. With Papua Province having an ICT value of only 3.35 in 2021, while DKI Jakarta, the capital region, boasts the highest ICT value at 7.46, these discrepancies underscore the pronounced development disparities among provinces. Such disparities in ICT access and infrastructure can indeed lead to uneven development outcomes. Regions with lower ICT access may face challenges in education, healthcare, economic opportunities, and access to information and services, which can contribute to lower human development levels. Bridging the digital divide and improving ICT infrastructure in underdeveloped regions like Papua is crucial for promoting more equitable development across the country. According to research by Al-Mursyid (2019); Dewi et al., (2021); Saputra et al., (2022) that ICT has a significant positive effect on the Human Development Index. It's interesting to note the contrast between the findings of your current research and the research conducted by (Maulana & Bowo, 2013). The study suggested that Information and Communication Technology (ICT) did not have a significant effect on the HDI. Such variations in research outcomes can occur due to differences in research methodologies, data sources, sample sizes, and the specific contexts being studied. It underscores the complexity of the relationship between ICT and HDI, which can vary based on numerous factors. These differing findings highlight the importance of considering multiple studies and perspectives when analysing the impact of ICT on human development.

In an effort to apply modern technology and achieve sustainable development, education has a very important role in human development. Education does play a crucial role in increasing the capacity of people in an area. Average length of schooling is a key indicator used to assess the impact of education on human development. It provides an overview of the level of educational achievement in a population and is an integral part of the Human Development Index (HDI), which is a common measure used to assess human development (Juliarini & Hatmoko, 2020). In the sub-index, there are three parameters consisting of average length of school, gross enrollment rate at the secondary school level (junior high and high school), and gross enrollment rate in higher education or higher education (Diploma 1 to bachelor's degree) (Al-Mursyid, 2019). Higher education has higher expectations in improving the quality of human resources compared to individuals with lower levels of education. This is due to limited job opportunities for those with lower levels of education, so many people seek to improve their qualifications by pursuing higher education. Higher education often equips individuals with specialized skills and knowledge that can open doors to a broader range of career opportunities and contribute to their personal and professional growth. The increase in the average length of school in Papua Province over the years is a positive sign, indicating progress in educational attainment. According to the assessment standards set by UNDP and BPS, it is noted that the average span of years of education lasts from 0 years as the lowest to 15 years, which is equivalent to the level of secondary education. In Papua Province, the average year of education continues to increase every year. In 2020, the average number of years of education reached 6.69 years, and increased to 6.76 years in 2021, equivalent to the basic education level. However, this shows that the average education in Papua Province is still at a relatively low level (Asmawani & Pangidoan, 2021).

Human Development Index (HDI) is indeed a common perspective, as economic development can significantly impact living standards, access to education, healthcare, and overall well-being.

Understanding the factors that influence the HDI is crucial for policymakers and researchers to address disparities and drive development progress. Given Papua's unique status as a province with the lowest HDI and the recipient of special autonomy funds, it's particularly important to investigate the factors contributing to its HDI. This research, titled "Determinants of the Papua Province Human Development Index for 2012-2021," is a valuable endeavor. It aims to identify and analyze the specific factors, including Special Autonomy factors, Sharia Bank Financing, ICT and the average length of schooling, that have shaped Papua's HDI over the past decade. Therefore, researchers are Very interested in conducting research with this research title "Determinants of the Papua Province Human Development Index for 2012-2021".

## METHODS

This research applies a quantitative-based methodological approach with descriptive properties. The data source used is secondary data in the form of a time series that covers the time span from 2012 to 2021. Variables such as ICT (Information and Communication Technology), Special Autonomy Fund (SAF), and Average School Year (ALS) are obtained from data sources that can be accessed officially through the Central Statistics Agency (BPS) website at the address ([www.bps.go.id](http://www.bps.go.id)). Meanwhile, data related to Islamic bank financing variables are obtained from Sharia Financing Statistics (SPS) which can be accessed through the Financial Services Authority (OJK) website at the address ([www.ojk.go.id](http://www.ojk.go.id)).

In the process of analyzing this research data, a time series data analysis method was used using the Error Correction Model (ECM). Error correction model is used to overcome the problem of non-stationary in the short-term leading to equilibrium conditions in the long term (Enders, 2014). ECM models are used to analyze economic phenomena over a wider period of time by testing the consistency of empirical theory through an econometric approach. The ECM testing process involves Data Stasionecity Test, Cointegration Test, as well as Error Correction Model (ECM) analysis.

## RESULTS AND DISCUSSION

### RESULT

#### Data Stationarity Test

The data stationarity purpose is to determine whether the data being analyzed exhibits stationary or non-stationary characteristics. Data is considered stationary if it does not contain a unit root. Understanding the concept of a unit root is essential for evaluating stationarity. Meanwhile, data that is non-stationary is data that has a unit root. Data stationarity testing using the Augmented Dickey Fuller (ADF) test. In this test the general criterion for evaluating stationarity is to use the ADF test. When performing an ADF test, ADF statistics are measured and compared to critical values to determine whether the data is stationary or not stationary, with the critical value generally set at a significance level of 0.05. Integration level tests will be performed when the data is not stationary at a certain level. This integration level testing is comparable to the unit root test, but the difference is in testing the integrity level, whether it is a different first level or a different second level will be tested.

**Table 1. The output of the data stationarity test in the 1st difference and 2nd difference levels**

Variable	ADF t-Statistic	Possibility	Information
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Level			
HDI	-0.888	0.741	No Stationary
ICT	-4.197	0.016	stationary
Special Autonomy Funds	1.547	0.466	No Stationary
ALS	-2.904	0.082	No Stationary
Financing	-0.087	0.923	No Stationary
Remainder	-8.144	0.000	stationary
Difference 1			
HDI	-2.664	0.120	No Stationary
ICT	-4.197	0.016	stationary
Special Autonomy Funds	-2.719	0.112	No Stationary
ALS	-4.515	0.000	stationary
Sharia Financing	-3.094	0.073	No Stationary
2nd difference			
HDI	-5.017	0.008	stationary
ICT	-4.046	0.029	stationary
Special Autonomy Funds	-5.528	0.005	stationary
ALS	-4.049	0.028	stationary
Sharia Financing	-3.599	0.046	stationary

Source: Data processed E-views 10, (2023)

From the information in Table 1, the results of the stationarity test are found. The test results show that the variables HDI, SAF, ALS, and Sharia Financing have unit roots at the same level, which means that these data are not stationary. In contrast, ICT variables indicate that the data is stationary at the level level. However, since some of the data are still not stationary, additional tests are performed at the first level of difference. The results of the first difference level test showed that the ICT and ALS variables became stationary. However, there are data that remain non-stationary on HDI, SAF, and Sharia Financing variables. Therefore, additional testing is carried out at the level of the second difference. The test results at the second difference level show that all variables do not contain a unit root, This means that all variables have stationary data and that testing can be continued at the next step. A variable does not contain a unit root if the ADF value is smaller than the critical value (0.05), where the HDI variable is valuable 0,0080, ICT is valuable 0,0287, SAF worth 0,0048, ALS is worth 0,0286 and Sharia Financing 0,0458.

### Cointegration Test

Cointegration testing is performed to assess stability in long-term relationships between variables, and this can be achieved through cointegration testing. The results of the analysis of cointegration data indicate that these variables have a long-term relationship. Based on the results of previous stationarity testing, it was found that all variables are stationary at the second level of difference. This means that between variables there is a long-term relationship with the same degree of similarity.

### ECM (Error Correction Model)

The purpose of the Error Correction Model (ECM) test is to correct short-term imbalances towards long-term equilibrium. In the ECM model, there is a component called Error Correction Term (ECT) that serves to improve long-term relationships.

**Table 2. The Error Correction Model Test Results**

Variable	Coefficient	t-statistics	t-Table	Prob.	Information
ICT	0.241	0.833	2.009	0.443	No sig
Special Autonomy Funds	-0.000	-3.024	2.009	0.029	Sig
ALS	0.001	3.987	2.009	0.010	Sig
Sharia Financing	2.819	4.646	2.009	0.006	Sig
(D) ICT	-0.06	1.194	2.009	0.318	No Sig
(D) Special Autonomy Funds	0.144	-5.843	2.009	0.010	Sig
(D) ALS	-0.000	8.510	2.009	0.003	Sig
(D) Sharia Financing	0.001	5.740	2.009	0.010	Sig
ECT	3.809	-6.674	2.009	0.007	Sig
Coef. Short-term	-0.069	-0.872	2.009	0.447	
Coef. Long-term	33.731	17.281	2.009	0.000	
R-Square = 0.991					
Prob (F-statistic) = 0.002					
F-statistics = 66.143					

Source: Data processed E-views 10, (2023)

The results of the ECM test are presented in Table 2. The ECM results reveal that the R-Square value stands at 0.991, indicating that approximately 99% of the variation in HDI can be accounted for by fluctuations in the ICT, SAF, ALS, and Sharia Financing variables, both in the short and long term. The remaining 1% is attributed to factors beyond the scope of this research. The ECT value plays a crucial role in determining how quickly equilibrium is reached. In this study, the ECT coefficient is 3.809 with a probability of 0.006, signifying its significance. A coefficient of 3.809 suggests that any disparity between the equilibrium and actual HDI values will be corrected within a span of 3 years. Furthermore, in the short term, the coefficient is -0.069, implying that, in the presence of the dependent variable, the growth of the HDI variable is 0.069%. Conversely, in the long term, the coefficient is 33.731. The positive sign of the long-term coefficient indicates that in the absence of the independent influencing variable, the HDI variable would have a value of 33.73%.

Table 2 illustrates that, in the long term, the ICT variable does not exert an impact on HDI. This finding contradicts the statistical significance, as the probability value (0.442) exceeds the alpha value (0.05). Similarly, in the short term, the ICT variable does not affect HDI, as the probability value (0.318) is greater than the alpha value (0.05). In contrast, both in the long term and short term, the SAF, ALS, and Sharia Financing variables demonstrate a significant influence on HDI, as their p-values are all less than the alpha value.

## DISCUSSION

### The influence of ICT on HDI in Papua Province

The results of the Error Correction Model (ECM) analysis show that ICT variables do not have a significant influence on the Human Development Index (HDI), both in the short and long term.

The short-term forecast value of 0.442, which exceeds the significance level of 0.05, indicates that ICT has no noticeable effect on HDI in the short term. Similarly, in long-term estimation, the probability for the ICT variable is 0.318, also exceeding the significance level of 0.05, signifying that ICT has no impact on HDI in the long run.

This discovery is different from previous research conducted by (Al-Mursyid, 2019; Dewi et al., 2021; Saputra et al., 2022) who stated that the development of the ICT has a positive effect on HDI. These previous studies indicated that a higher level of information and communication technology correlates with an elevated quality of human development in each country. A heightened presence of ICT implies increased efficiency and productivity in both macro and micro-level economic sectors. Furthermore, it facilitates more efficient educational processes and enhances knowledge sharing, ultimately fostering competitiveness and advancing knowledge development. However, in the present study, it was observed that information and communication technology did not have a discernible effect on the Human Development Index. This observation can be attributed to the fact that the HDI demonstrated an increase from 2012 to 2021 despite the absence of a significant ICT influence.

ICT serves as a crucial benchmark for gauging the level of ICT development in each region, facilitating comparisons across time and between different areas. Additionally, it enables the assessment of ICT growth, the digital divide between regions, and the potential for ICT development, as highlighted by Dewi et al. (2021). Nevertheless, it's noteworthy that ICT does not appear to influence HDI in the context of Papua. Based on data from 2020 and 2021, ICT in Papua has not demonstrated any significant increase, with the ICT value remaining at 3.35 (BPS, 2021). Consequently, the lack of growth in ICT in Papua is a contributing factor to its limited impact on HDI in the region.

#### **The influence of SAF on HDI in Papua Province**

Regression analysis conducted using the Error Correction Model (ECM) yielded important findings regarding the effect of the Special Autonomy Fund (SAF) on the Human Development Index (HDI). In the short term, SAF shows a negative and statistically significant effect on HDI. The probability associated with the short-term estimate is 0.029, which is lower than the significance level of 0.05, indicating that the Special Autonomy Fund has an impact on HDI in the short term. On the other hand, in long-term estimation, the SAF variable has a very positive and significant influence on the Human Development Index, indicated by a probability of 0.010 which is also lower than 0.05. In more detail, the value of the SAF coefficient is -0.000 in the short term, indicating that the Special Autonomy Fund exerts a negative influence on the HDI variable of -0.006%. In the long run, the value of the coefficient is 0.1446, indicating that the Special Autonomy Fund has a positive influence on HDI of 0.144%.

The long-term findings of this study align with the research conducted by Juliarini & Hatmoko (2020). The relationship between the Special Autonomy Funds and the Human Development Index (HDI) exhibits a nuanced pattern. In essence, an increase in the Special Autonomy Fund is associated with a positive impact on HDI, implying that higher levels of special autonomy funding can contribute to HDI improvement over the long term.

Conversely, in the short term, the Special Autonomy Fund demonstrates a negative impact, indicating that in the short run, an influx of Special Autonomy Funds may lead to a reduction in HDI. This short-term fluctuation is partly attributed to the year-to-year variations in the allocation of special autonomy funds, which may not always align with the region's specific needs. Additionally, it's worth noting that the classification of 75% of Papua Province as disadvantaged areas plays a role in bolstering the Human Development Index (HDI) in the region. Despite these factors, it's important to acknowledge that the special autonomy policy implemented in the Papua region has not yet fully met expectations. (Latupeirissa et al., 2021). The special autonomy policy

is complemented by the implementation of a set of supportive policies aimed at achieving societal justice and equal welfare for all.

### **The influence of ALS on HDI in Papua Province**

The results of the Error Correction Model (ECM) analysis revealed significant findings about the relationship between Average Length of Schooling (ALS) and Human Development Index (HDI). In the short term, ALS has a statistically significant positive impact on HDI, with a probability of 0.010, which is below the significance level of 0.05. This shows that in the short term, the Average Length of Schooling has a positive effect on HDI. However, in long-term estimation, ALS has a significant negative impact on HDI, with a probability of 0.0034, which is also below 0.05. In more detail, the value of the ALS coefficient is 0.001 in the short term, indicating that ALS has a positive effect on HDI by 0.001%. In the long run, the value of the ALS coefficient is -0.000, indicating that ALS negatively affects the HDI by -0.000%.

The results of this study similar with the findings of previous studies conducted by (Arofah & Rohimah, 2019; Mahya, 2021; Manurung & Hutabarat, 2021). This study shows that Average Length of Schooling (ALS) has a significant impact on HDI. More specifically, higher education levels are associated with increased HDI, confirming the important role of education in increasing HDI levels, especially in Papua Province. However, in the long run, it is seen that the ALS has a negative impact on the Human Development Index (HDI). It emphasizes the importance of government oversight in developing students' competencies to increase focus and efficiency in their education, thereby reducing time spent in school. The priority and increase in the Average Length of School is expected to contribute to the increase in HDI on Papua Province.

In the context of formal education, Average Length of School (ALS) represents the number of years that the population spends in their educational pursuits. In Indonesia, the government has initiated efforts to enhance education by instituting a mandatory 12-year education program. The implementation of this 12-year compulsory education program is anticipated to enhance the overall quality of education and consequently, improve the caliber of the human resources in the country, as mentioned in the study by Dewi et al. (2021). However, it's noteworthy that in Papua Province, the average length of schooling stands at 6.76 years, which is roughly equivalent to completing elementary school education. This suggests that over the long term, the ALS variable does not appear to have a significant impact on educational attainment and, by extension, on Human Development Index (HDI) in the region.

### **The Influence of Sharia Financing on HDI in Papua Province**

The results of regression analysis conducted using the Error Correction Model (ECM) revealed significant findings regarding the effect of Islamic Financing on the HDI, both in the short and long term. In the short term, Islamic Financing has a statistically significant positive impact on HDI, with a probability of 0.005, which is lower than the significance level of 0.05. This indicates that Islamic Financing has a positive influence on HDI in the short term. Likewise, in the long-term estimation, Islamic Financing shows a positive and significant influence on HDI, with a probability of 0.010, which is also lower than 0.05. In more detail, the value of the Sharia Financing coefficient is 2.819 in the short term, indicating that Sharia Financing has a positive effect on HDI by 2.82%. In the long run, the value of the coefficient is 0.001, indicating that Sharia Financing has an effect on HDI by 0.001%.

The result of this study aligns with the findings of empirical research studies conducted previously. by Abduh & Omar (2012) and Nurdany (2016) These research findings are consistent with empirical studies that have demonstrated a significant and positive relationship between Sharia Financing and HDI. This indicates that as the amount of financing provided by Sharia banks increases, there is a corresponding rise in the HDI level. Sharia financing plays a pivotal role in augmenting capital assistance to productive businesses, which, in turn, has the potential to increase income and reduce economic disparities, thereby positively impacting HDI. The increase in total

Sharia bank financing distributed can stimulate the growth of capital and productive businesses, ultimately contributing to the development of the real sector of the economy. Such improvements in the real sector can subsequently boost economic activity, foster economic growth, mitigate crises, reduce poverty levels, and ultimately enhance the Human Development Index (HDI).

Indeed, Sharia banking financing is primarily directed towards the real sector, which plays a crucial role in driving economic growth. When economic growth increases, it signifies a positive economic turnaround in Papua Province. The rise in the total amount of Sharia banking financing distributed results in an augmentation of capital for businesses, leading to an expansion of the real sector within the economy. This expansion in the real sector is indicative of heightened economic activity, which in turn fosters economic growth within Papua Province. (El Ayyubi et al., 2018).

## CONCLUSION

This research delves into the relationship between HDI and several key factors, namely ICT, Special Autonomy Funds (SAF), Average Length of Schooling (ALS), and Sharia Financing in Papua Province using the Error Correction Model (ECM). The study yields the following noteworthy findings, ICT does not exhibit any discernible effect on HDI, neither in the long term nor in the short term. The Special Autonomy Fund (SAF) in the short term demonstrates a negative impact on HDI, whereas in the long term, it exerts a positive influence. The Average Length of Schooling (ALS) has a positive effect in the short term but shows a negative impact in the long term. The Sharia Financing variable has a positive effect on HDI, in the long term and also in the short term. These findings shed light on the complex interplay between these variables and their impact on Human Development Index (HDI) in Papua Province.

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