

ANALYSIS OF THE EFFECT OF CONSUMPTION, MINIMUM WAGE, AND HUMAN DEVELOPMENT INDEX ON OWN SOURCE REVENUE (OSR) IN CENTRAL JAVA PROVINCE

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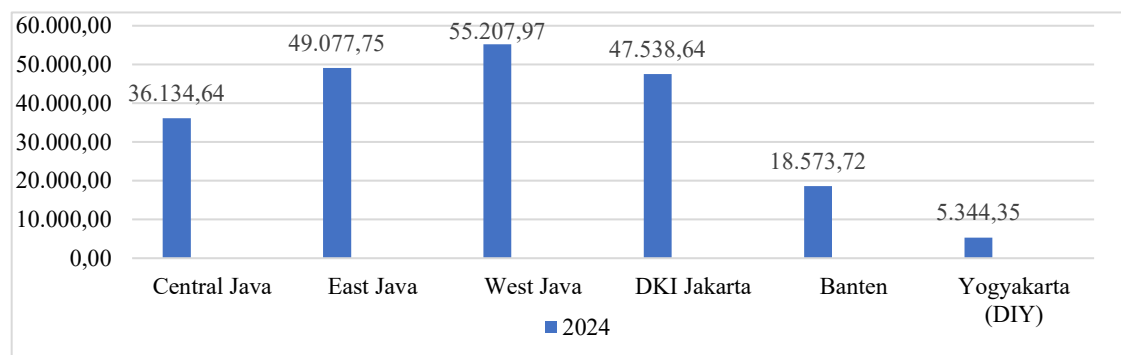
Abstract

Own Source Revenue (OSR) is an important indicator in assessing the fiscal independence of a region. The existence of Local Original Income can be a reflection that the economy in a region is running according to its portion. On the island of Java, there is Central Java Province which has a strategic location and regencies/cities that are no less numerous than other provinces, but in reality in terms of Own Source Revenue (OSR) it is still low after Banten and the Special Region of Yogyakarta. Therefore, the purpose of this study is to analyze the effect of consumption, minimum wages, and *Human Development Index* (HDI) on Own Source Revenue (OSR) from 35 Regencies/Cities in Central Java Province with the period 2019-2024. The theories that support the phenomenon that occurs in Central Java Province are the theory of fiscal decentralization and the theory of endogenous growth. The method used in this study uses a quantitative method with an analysis tool, namely panel data regression. The results of the regression test in this study are that the consumption, HDI and minimum wage variables simultaneously have a significant effect on OSR. In addition, the consumption and *Human Development Index* (HDI) variables partially do not have a significant effect on OSR while the minimum wage variable partially has a significant positive effect. Based on the results of the study, there are implications that the government can pay more attention to the minimum wage in Central Java Province. The policy related to minimum wages in a region must continue to be considered because the resulting impact greatly affects OSR. The government can focus more on creating programs for the community, especially in the context of increasing minimum wages, investment and optimizing direct taxes.

Keywords: Own Source Revenue (OSR), Consumption, Minimum Wage, *Human Development Index* , Fiscal Decentralization.

INTRODUCTION

Own Source Revenue is an important indicator in assessing fiscal independence and regional development capacity in Indonesia. Ideally, OSR is expected to be the main source of funding for infrastructure development programs and public services at the local level (Rizky & Syahputra, 2022) . Although a region already has authority in the form of fiscal decentralization, many still have low OSR. Low Own Source Revenue (OSR) will make it difficult for the region to carry out development and governance independently. Therefore, each region needs to maximize the potential of OSR in its region (Syam & Zulfikar, 2022) . One of the provinces on the island of Java, namely Central Java Province, has a geographical location and potential for human resources and natural resources that support in achieving its regional development goals (Erwanto, 2020) . However, in reality, Central Java Province is one of the provinces with the third lowest Own Source Revenue (OSR) in Java after Banten and Yogyakarta.



Source: DJPK Portal, 2025

Figure 1. 1Own Source Revenue in Java Island (Billion *Rupiah*)

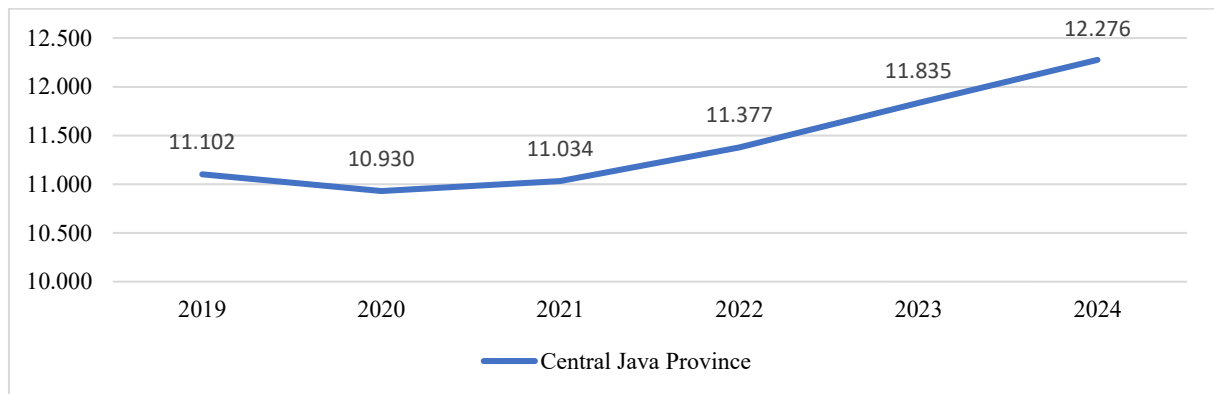
Based on Figure 1.1, the Own Source Revenue in Central Java Province is still low in 2024, which is 36,134.64 billion Rupiah, with a fairly large number of regencies/cities, not much different from East Java, West Java, and DKI Jakarta Provinces. With the existence of regencies/cities that are not too far apart, the OSR in Central Java Province should at least be balanced or not too far apart from East Java, West Java, and DKI Jakarta Provinces . On the other hand, there is an imbalance that arises due to the dominance of regional contributions which are still centered on several regencies. The following is data on the highest Own Source Revenue in the Regencies/Cities of Central Java Province.

Table 1.1 1Highest Own Source Revenue (OSR) Data in Five Districts/Cities in the Province
Central Java 2019-2024

Regency/City	Highest Own Source Revenue (OSR) in Five Districts/Cities Central Java (Billion Rupiah)					
	2019	2020	2021	2022	2023	2024
Semarang City	2,066.33	2,024.54	2,385.94	2,545.99	2,835.15	2,131.25
Banyumas	686.81	668.21	761.99	822.69	854.94	903.90
Cilacap	574.28	591.34	739.13	700.43	768.64	885.06
Surakarta City	546.02	492.78	560.58	647.44	687.33	559.35
Sukoharjo	458.74	469.54	528.35	495.28	537.10	553.60

Source: DJPK Portal (2025)

Based on Table 1.1, it shows that the largest contribution is dominated by Banyumas Regency and Semarang City, which are often the top in obtaining Own Source Revenue (OSR). This inequality shows that the economic potential in other regions has not been optimally utilized, so that in aggregate, the OSR of Central Java Province does not reflect its maximum potential. Overall, the trend of OSR in each of the five regencies/cities in Central Java has fluctuated from 2019 to 2024. In the period 2019 to 2023, there were economic dynamics ranging from pre-pandemic conditions, the impact of *Covid-19* , to the economic recovery phase (Sasminto, 2021) . The pandemic caused a decrease in public consumption, adjustments to minimum wages, and reduced OSR. Own Source Revenue (OSR) can be influenced by various interrelated factors, namely consumption, minimum wages, and the *Human Development Index* (HDI). Public consumption is the main driver of Own Source Revenue (OSR) in the regional fiscal framework (Jumadi & Hayati, 2022) . Household consumption includes expenditure to meet needs in the form of goods and services. In this study, household consumption can be described based on Per Capita Expenditure (PPP) data as follows.



Source: Central Java Province BPS (2025)

Figure 1.2 2Per Capita Expenditure (PPP) in Central Java Province (Thousand Rupiah)

If seen from Figure 1.2, consumption depicted by per capita expenditure (PPP) decreased in 2019 to 2020 by 11,102 thousand Rupiah to 10,930 thousand Rupiah, down by (-1.6%). This can be caused by the weakening of economic activity due to the *Covid-19 pandemic* in 2020 to 2022. Thus reflecting a change in people's purchasing power. Consumption can affect OSR through indirect taxes and levies. Indirect taxes include several taxes, one of which is Value Added Tax (VAT). There is a research gap in research on the effect of consumption on OSR, namely according to research (Sari & Aswitari, 2020) that consumption has a negative effect on OSR, meaning that changes in consumption patterns do not directly encourage an increase in OSR. These results contradict research according to Jumadi & Hayati (2022) that consumption has a positive and significant effect on OSR.

The next factor that affects OSR is the minimum wage. With a high minimum wage, a region can show strong economic potential and can contribute to increasing OSR in Central Java Province. The following is a trend of minimum wages in Central Java Province.

Source: Central Java Province BPS (2025)

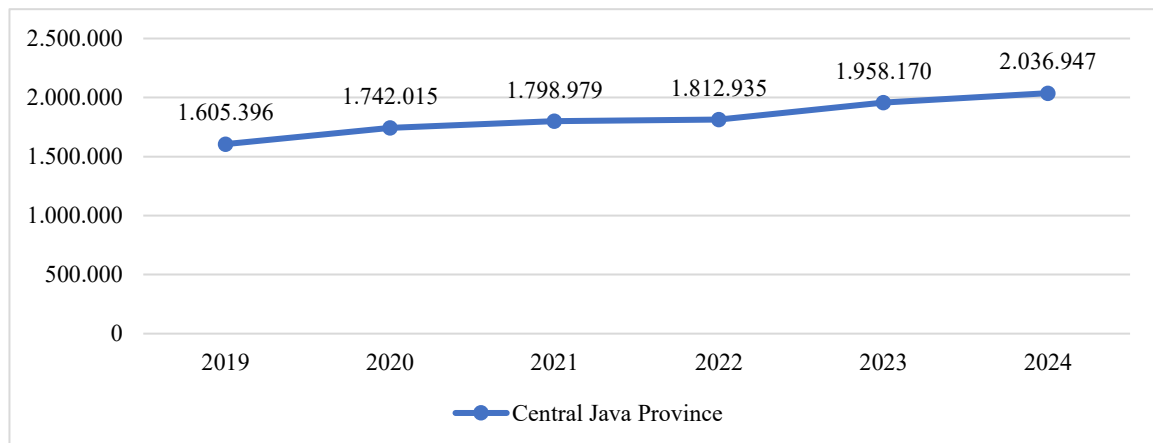


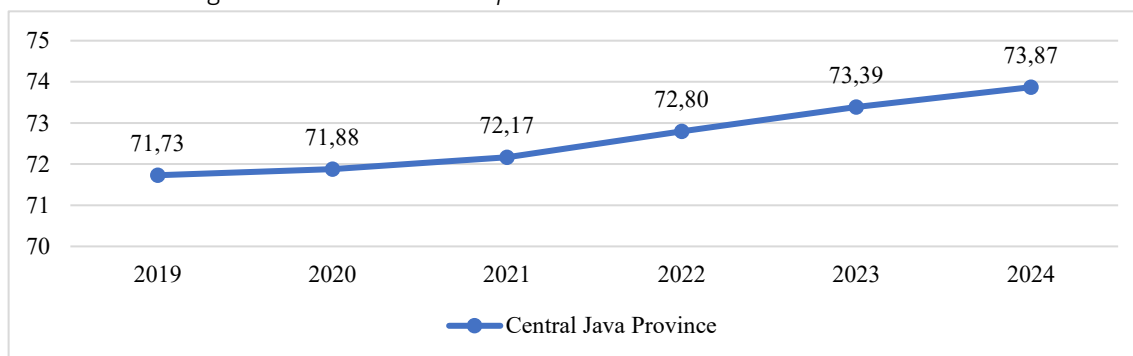
Figure 1.3 3Minimum Wage in Central Java Province (Million Rupiah)

The increasing minimum wage is one of the attractions for investors, because a high minimum wage can encourage productivity, workforce stability, and worker welfare. As a result, the increasing minimum wage can increase the attractiveness of investment and have an impact on increasing community income. This will also affect Own Source Revenue through direct tax sources. Direct taxes include Land and Building Tax (PBB), Motor Vehicle Tax (PKB), and corporate tax (Mutholib et al., 2024) . With the increase in community income due to the increase in the minimum wage, the community's ability to pay taxes also increases because the community has more ability to own assets and fulfill the obligation to pay taxes. However, according to research by Artana & Karmini (2024) , the minimum wage does not have a significant partial effect on Own

Source Revenue (OSR). On the other hand, according to research by Dwi et al. (2023), the minimum wage has a positive and significant effect on Own Source Revenue. This shows a research gap from previous research. In addition, *the Human Development Index* (HDI) can also play a role in influencing Own Source Revenue (OSR). There is an increasing trend in HDI in Central Java Province as described below.

Source: Central Java Province BPS (2025)

Figure 1.4 *Human Development Index* in Central Java Province



Based on Figure 1.4, *the Human Development Index* (HDI) in Central Java Province experienced an increasing trend from 2019 to 2024. HDI increased from 71.73 in 2019 to 73.87 in 2024. This increase shows that human development indicators, such as education, health, and income have improved from year to year. Along with the consistent increase in HDI, the Own Source Revenue (OSR) in Central Java Province should also increase. With an increase in the standard of living of the community, it will contribute to increasing GRDP, so that people have high incomes which can then encourage Own Source Revenue through OSR sources such as direct and indirect taxes, and increased levies. There is previous research that supports the contribution of HDI to Own Source Revenue (OSR) through GRDP. According to research by Wahyudi et al. (2023) that *the Human Development Index* (HDI) has a positive and significant effect on the level of economic growth through income. This research is also in line with research (Sijabat, 2024) which shows that human development (as measured by the Human Development Index) has a significant effect on the growth of gross regional domestic product (GRDP).

Problems related to Own Source Revenue (OSR) are problems that require more attention from local governments because they concern community welfare, government independence and regional development progress. Factors that influence OSR also vary such as consumption, minimum wages, and *the Human Development Index* (HDI). However, from these factors there are still differences or inconsistencies in the results of previous studies. Therefore, researchers are interested in using the variables of consumption, minimum wages, and *the Human Development Index* (HDI) to find out how they affect Own Source Revenue (OSR).

LITERATURE REVIEW

1) Own Source Revenue (OSR)

OSR is part of the revenue in the APBD that reflects the fiscal independence of a region. OSR includes various sources, namely from agencies, regional levies, profit shares from Regionally-Owned Enterprises (BUMD), regional taxes, results of managing separated regional assets and other legitimate income. With regional autonomy, regional governments can maximize the potential of their regions to regulate and manage and manage financial management independently without relying on the central government (Prasetyo et al., 2022). The ratio of Own Source Revenue according to (Anis Ariffah Afanin & Penata (2024) published in the Central Java Statistics Agency is to measure the comparison of OSR to total income which indicates an increasing level of independence of a region. The increasing ability of regional

governments to carry out decentralization can be reflected in the increasing contribution of OSR.

2) Fiscal Decentralization Theory

According to Puspita et al. (2021) through the theory of *fiscal federalism* can explain how the implementation of fiscal decentralization and its impact on the economy. *Fiscal federalism* is divided into two perspectives, namely *traditional theories* (*First Generation Theories*) and *new perspective theories* (*Second Generation Theories*). Fiscal decentralization can be explained as the process of delegating authority regarding financial management from the central government to local governments. The main objective of this theory is to increase the effectiveness and efficiency of public services, reduce fiscal disparities between regions, and encourage economic growth and Own Source Revenue (OSR) (Aditya et al., 2024) . In encouraging increased local revenue, fiscal decentralization plays an important role because it gives local governments the authority to explore local revenue potential.

3) Endogenous Growth Theory (Paul Romer & Robert Lucas)

model is a development of the neoclassical growth model, such as the Solow model. This theory discusses how long-term economic growth can be driven by internal factors in the economy, not just by external factors. Endogenous growth theory emphasizes the importance of investment in human capital, innovation, and knowledge as the main drivers of sustainable economic growth . In endogenous growth theory, the role of government is crucial in driving long-term economic growth through various policies that affect the accumulation of physical capital, human capital, and technology (Liana et al., 2024).

RESEARCH METHODS

Quantitative descriptive method is used in this study. Where the method aims to describe the characteristics, analyze, and interpret the phenomena studied objectively based on numerical data. In this study, the analysis tool used is combined panel data regression of *cross-section* and *time series data* to test how the influence of independent variables (Consumption, minimum wages, and *Human Development Index* on the dependent variable Own Source Revenue with the period 2019-2024.

3.1 Panel Data Regression Analysis

According to Gujarati & Porter (2009) defines that Panel Data is a statistical analysis method that utilizes panel data structures to analyze or estimate relationships between variables. Panel data consists of two dimensions called *time series data* and *cross-individual data* (cross section). So that the same observation unit is observed at several different time periods. Below is the general equation of panel data regression:

$$Y_{it} = \beta_0 + \beta_1 X_{1it} + \beta_2 X_{2it} + \beta_3 X_{3it} + \beta_4$$

To determine the influence of independent variables in influencing dependent variables, this can be done by using the following panel information multiple regression model:

$$OSR_{it} = \alpha + \beta_1 C_{it} + \beta_2 UM_{it} + \beta_3 HDI_{it} + C19_{it} + \epsilon_{it} \quad (2)$$

Where:

OSR	= Own Source Revenue
α	= Constant
$\beta_1, \beta_2, \beta_3, \beta_4$	= Independent Variable Coefficient
C	= Consumption
UM	= Minimum Wage
HDI	= <i>Human Development Index</i>
C19	= <i>Covid 19</i>
ϵ_{it}	= <i>Error term</i>
i	= 35 Districts/Cities in Central Java Province
t	= Research period from 20219 to 2024

3.2 Model Selection

- 1) Chow Test
- 2) Hausman test
- 3) Lagrange Multiplier (LM) Test

3.3 Classical Assumptions

- 1) Normality Test
- 2) Multicollinearity Test
- 3) Heteroscedasticity Test
- 4) Autocorrelation Test

3.4 Statistical Test

- 1) Coefficient of Determination
- 2) F Test
- 3) t-test

RESULTS & DISCUSSION

4.1 Model Selection Test

1) Chow Test

Chow test compares the panel data regression models of the *Common Effect Model* (CEM) or the *Fixed Effect Model* (FEM). This test is performed by comparing the regression results of the two models using the F statistic or *chi-square*, depending on the analysis output used. The following are the results of the *Chow* test in this study.

Table 4.1. Chow Test Results

Probability	Significance	Information
0.0000	0.05	Because it is smaller than 0.05, the selected model is FEM.

Source: Eviews 12 Output Results (2025)

Based on Table 4.6. The results of the *Chow* test state that the selected model is the *Fixed Effect Model* (FEM) because the probability value is less than 0.05.

2) Hausman test

This statistical test is used to select a panel data regression model between the *Fixed Effect Model* (FEM) and the *Random Effect Model* (REM). The Hausman test is performed by comparing the estimation results of each model. With as many degrees of freedom as the number of independent variables, the Hausman test statistic follows the *chi-square distribution*. The following are the results of the Hausman test in this study.

Table 4.2. Hausman Test Results

Probability	Significance	Information
0.1651	0.05	Because it is greater than 0.05, the selected model is REM.

Source: Eviews 12 Output Results (2025)

Based on Table 4.7, it states that the selected model from the Hausman test is the *Random Effect Model* (REM) because the probability value is more than 0.05.

3) Lagrange Multiplier (LM) Test

The LM test was developed by Breusch and Pagan which is used in panel data regression analysis to determine which estimation model is most appropriate between *the Common Effect Model* (CEM) and *the Random Effect Model* (REM). The LM test is to determine whether the individual specific effect (*random effect*) is statistically significant, so that the REM model is more appropriate to use than the CEM model. The following are the results of the LM test in this study.

Table 4.3. Lagrange Multiplier (LM) Test Results

Probability	Significance	Information
0.0000	0.05	Because it is less than 0.05, the selected model is REM.

Source: Eviews 12 Output Results (2025)

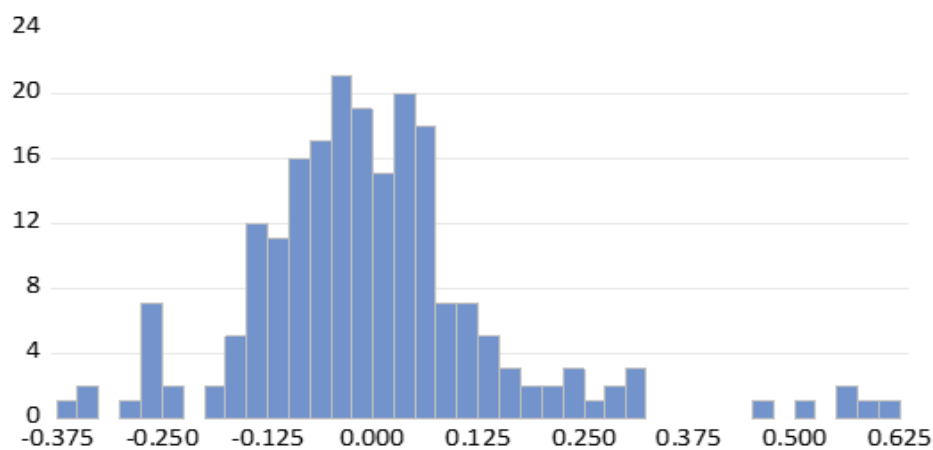
Based on Table 4.8, it shows that the selected model from the *Lagrange Multiplier* test is *the Random Effect Model* (REM) because the probability value is less than 0.05.

Based on the results of the model selection test, namely the Chow test, the Hausmant test and the LM test, the most appropriate model used in this study is ***the Random Effect Model (REM)*** . Because two of the model selection tests, namely the Hausman and LM tests, show the results of *the Random Effect Model* (REM). *The Random Effect Model* is a data analysis model where model parameters are considered as random variables. This model takes into account unobserved heterogeneity with the assumption that effects can change at different levels or groups and the possibility of concluding more generally about variability.

4.2 Classical Assumption Test

1) Normality Test

The normality test is a statistical procedure to determine whether data follows a normal distribution (*Gaussian*). The following are the results of the normality test in this study.



Source: Eviews 12 Normality Test (2025)

Figure 4.1. Normality Test Results

Table 4.4. Normality Test Results

Probability	Significance	Information
0.000000	0.05	Failed the morality test

Source: Eviews 12 Output Results (2025)

Based on the normality test in Table 4.4. this study found that the data was not normal because the probability value was less than 0.05. The normality test on panel data is not required because previous studies obtained the same test results. The previous study was the study by Awaludin et al. (2023) .

2) Multicollinearity Test

In regression analysis, the multicollinearity test is used to identify whether there is a strong linear relationship between two or more independent variables. The following are the results of the Multicollinearity test in this study.

Table 4.5. Multicollinearity Test Results

	LogC	LogUM	LogHDI	<i>Covid 19</i>
LogC	1,000,000	0.272632	0.214766	0.083216
LogUM	0.272632	1,000,000	0.460395	-0.140954
LogHDI	0.214766	0.460395	1,000,000	-0.088956
<i>Covid 19</i>	0.083216	-0.140954	-0.088956	1,000,000

Source: EvIEWS Output Results 12, 2025

Based on the results of the multicollinearity test, it was stated that all variables in this study were not affected by multicollinearity. This was because the probability value of each variable was less than 0.8.

3) Heteroscedasticity Test

Heteroscedasticity test is a statistical technique used to determine whether the residuals or errors of a regression model have non-constant variability. The heteroscedasticity test is used in this study to identify whether there are differences in residual variances between observations. Below are the results of the heteroscedasticity test in this study.

Table 4.6. Heteroscedasticity Test Results

Variables	Probability
Consumption	0.7031
Minimum wage	0.4388
HDI	0.0133
<i>Covid 19</i>	0.6935

Source: EvIEWS 12 output results (2025)

Based on the results of the heteroscedasticity test, it can be concluded that the Consumption, Minimum Wage, and *Covid 19 variables* are not infected with heteroscedasticity while the HDI variable is infected with heteroscedasticity. The Consumption, Minimum Wage and *Covid 19 variables* are not infected with heteroscedasticity because their probability values are more than 0.05. The HDI variable is declared infected with heteroscedasticity because its probability value is less than 0.05. Based on the book by Basuki, (2021) states that the heteroscedasticity test is not required in panel data regression, but is required for multiple linear regression analysis.

4) Autocorrelation Test

When the residuals of a regression model correlate with the residuals at different times, it is called autocorrelation. This procedure is used in this study to determine whether there is a relationship between the residuals of the regression model at different times. The following are the results of the Autocorrelation test in this study.

Table 4.7. Autocorrelation Test Results

Durbin Watson	DL/DU	Information
1.710477	DL = 1.75483 DU = 1.79326	Infected with autocorrelation

Source: EvIEWS 12 Output Results (2025)

Based on the results of the autocorrelation test in Table 4.7, the data is declared infected with autocorrelation. This is because the Durbin Watson (DW) value is less than the lower

limit (DL). In panel data regression analysis, it is not required that data pass autocorrelation. This is supported by a book by Basuki, (2021) which states that the autocorrelation test is not mandatory in panel data regression analysis.

4.3 Statistical Test

1) Coefficient of Determination

The coefficient of determination (R^2) in this study is a statistical measure that shows how well the independent variables in the regression model are able to explain variations or changes in the dependent variable (Maulana, 2022). The R^2 value ranges from 0 to 1, a higher value indicates that the independent variable can explain most of the variation in the dependent variable, but a lower value indicates that the independent variable cannot explain most of the variation in the dependent variable so that it can be explained by other variables. The following table shows the results of the coefficient of determination test in this study.

Table 4.8. Results of Determination Coefficient Test

Adjusted R Square	Information
0.328863	The independent variable can influence the dependent variable by 32%

Source: Eviews 12 Output Results (2025)

Based on the results of the determination coefficient test in this study, it was found that the independent variable can affect the Y variable by 32%. Thus, although the coefficient value of the independent variable shows a significant effect on the dependent variable, there are still many other variables or factors that affect the dependent variable.

2) F Test

The F test is a statistical technique often used in analysis of variance (ANOVA) and regression to determine whether a more complex model provides a better explanation of variance than a simpler model (Maulana, 2022). In this study, the F test is used to simultaneously test consumption (LogC), minimum wage (LogUM), *Human Development Index* (LogHDI) and *Covid 19* (C19) against Own Source Revenue (OSR) in Central Java Province. The following table shows the results of the F test in this study.

Table 4.9. F Test Results

Probability	Significance	Information
0.000000	0.05	Independent variables have a simultaneous effect on the dependent variable.

Source: Eviews 12 Output Results (2025)

Based on the results of the F test or simultaneous test, it was found that the variables Consumption, Minimum Wage, *Human Development Index* (HDI), and *Covid 19* simultaneously had a significant effect on Own Source Revenue (OSR). This is because the F probability value is less than 0.05.

3) t-test

The t-test in this study is used to test the hypothesis partially in the form of the relationship between each independent variable and the dependent variable. It can also be said that the purpose of the t-test is to determine how significant the relationship is between the regression model of the independent variable and the dependent variable. The following table shows the results of the t-test in this study.

Table 4.10. t-Test Results

Variables	t-statistic	P-Value
Consumption	-0.079869	0.9364
Minimum wage	4.820223	0.0000

HDI	1.422828	0.1563
<i>Covid-19</i>	1.018382	0.3097

Source: Eviews 12 Output Results (2025)

Based on Table 4.10 which states that with n of 210 and k of 4, $df (nk-1) = 205$ is obtained at a 95% confidence level ($\alpha = 0.05$), in this study using two sides so that using a *right tail* of 0.025 and obtaining a t table of 1.972 and -1.972. The effect of each independent variable on the dependent variable, namely the Minimum Wage variable has a t count of 4.820223 greater than the t table of 1.972. Thus, H_0 is rejected or the sig value of 0.0000 is less than 0.05 so that it can be concluded that the Minimum Wage has a positive and significant effect on Own Source Revenue (OSR). In addition, there is a Consumption variable with a t count of -0.079869, a *Human Development Index* (HDI) of 1.422828, and *Covid 19* of 1.018382. Overall, the three variables have a t count of less than the t table and have a sig value of more than 0.05, so it is concluded that they do not have a significant partial effect on OSR.

4.4 Discussion

1) Consumption Variables Against Own Source Revenue in 35 Regencies/Cities of Central Java Province for the 2019-2024 Period

Consumption based on the t -test has no effect on Own Source Revenue (OSR). The reason why consumption has no effect on OSR is because based on per capita expenditure data from 2019 to 2024 from the Central Statistics Agency (BPS) of Central Java Province, it shows that public consumption has decreased in 2020 due to the *Covid-19 pandemic phenomenon* so that consumption patterns become unstable and data also tends to vary between regencies/cities such as Salatiga City has high consumption with an average from 2019 to 2024 of 16,264 thousand Rupiah and Grobogan Regency has the lowest consumption with an average of 10,751 thousand Rupiah, followed by Kebumen, Pati, Demak, and Tegal regencies so that this variation causes varying tax revenues, but tax revenues which also vary in each region do not always reflect unstable OSR conditions.

This is evident from the data published by the DJPK portal that OSR data in Grobogan, Kebumen, Pati, Demak, and Tegal Regencies in 2019-2024 are actually in an increasing condition and are in the middle to upper position. Because the OSR structure depends on regional taxes, public consumption in the Regencies/Cities of Central Java Province from 2019 to 2024 does not have a significant impact on OSR. This is because the contribution of regional taxes that are more closely related to consumption is still small and also not optimal when viewed from the data. Increased consumption will only have an impact on OSR if it is followed by optimization of relevant tax and levy collection and improvement of regional fiscal administration.

The journal that supports this statement is research from Nst et al. (2024) states that Household Consumption cannot increase economic growth because the relationship is not strong enough or does not show a clear influence on the economy. The level of household consumption does not always increase significantly every year, which means that household consumption has a negative and insignificant effect on economic growth. And research from Fitri & Marhaeni (2020) states that consumption does not affect economic growth because there are other factors that have a stronger influence, namely technological progress, natural resources, and community activities in the industrial sector.

Therefore, consumption does not affect OSR because based on per capita expenditure data and OSR data, there is no harmony in its increase. The impact of the *Covid 19 pandemic* has also caused household and community consumption patterns to become unstable. Thus, there is no contribution from the consumption variable to OSR. In addition, increased consumption will only have an impact on OSR if it is followed by optimization of relevant tax and levy collection and improvement of regional fiscal administration. This is also supported

by previous research which found that the level of household consumption does not always increase significantly every year, which means that household consumption has a negative and insignificant effect on economic growth and there are other factors that have a greater influence on OSR.

2) Minimum Wage Variable Against Own Source Revenue (OSR) in 35 Districts/Cities of Central Java Province for the 2019-2024 Period

Minimum Wage from the t-test results shows a positive and significant effect on Own Source Revenue (OSR). This is supported by data published by the Central Statistics Agency of Central Java Province which shows an increasing trend in each Regency/City such as Semarang City, Semarang Regency, Kudus Regency, Demak Regency, Kendal Regency, and Cilacap Regency which are in the top six with high minimum wages and continue to increase. The minimum wage in Central Java Province has an increasing trend even though in 2020 to 2022 there was a *Covid 19 pandemic* that shook the economy. The increase in the minimum wage is one of the causes of increased investment. The impact of increased investment can create new jobs and provide wider market access so that it can increase Own Source Revenue (OSR) which comes from separated regional wealth sources such as BUMD and other legitimate OSR sources such as asset rental income. The increase in the minimum wage has an impact on people's income which also increases. This will affect Own Source Revenue, namely through direct tax sources. Direct taxes include Land and Building Tax (PBB), Motor Vehicle Tax (PKB), and corporate tax. This is also supported by data on minimum wages and OSR from 2019 to 2024 in Semarang City, Cilacap Regency, Semarang Regency, Kendal Regency, and Demak Regency, which are also simultaneously increasing.

The journals that support this statement include according to Rarasati & Faridatussalam (2022) because the test results show that UMK, which is the minimum wage applicable in a region, has a positive effect on OSR in Central Java Province. If labor wages increase, OSR will increase through income tax. According to Dwi et al. (2023) shows that partially the minimum wage has a positive impact and a significant effect on economic growth. If there is an increase in the minimum wage, it can make a significant contribution to Own Source Revenue. Therefore, the minimum wage has a positive and significant effect because based on previous data and research it can be explained that an increase in the minimum wage triggers investment activities and community income so that it also has an impact on increasing OSR.

3) Human Development Index (HDI) Variable Against Own Source Revenue in 35 Regencies/Cities of Central Java Province for the Period 2019-2024

Human Development Index (HDI) based on the t-test has no effect on Own Source Revenue (OSR). The reason HDI has no effect on OSR is because based on data published by the Central Statistics Agency of Central Java Province in 2025, HDI experienced a consistent upward trend from 2019 to 2024 in each Regency/City of Central Java Province. However, the trend of Own Source Revenue is not in line with the increase in HDI, such as in Salatiga City which has an average HDI value from 2019 to 2024 of 84.15, the highest of 35 Regencies/Cities in Central Java Province. This shows that the community has good access to education and health services. However, OSR in Salatiga City is still very low, only reaching an average of 227.815 billion Rupiah. This also happened in Magelang City, Klaten Regency, Tegal City, and Pekalongan City. The presence of *Covid 19* has actually made the government try to increase HDI so that HDI continues to increase while the OSR value has actually decreased in several regencies/cities. This inconsistency may indicate that HDI has no effect on OSR in the Regency/City of Central Java Province. In addition, the increase in HDI has been shown to be positively correlated with the increase in labor force participation in Central Java Province. This shows that more and more people are ready and able to work because of better living standards, health, and education (Armaatus Solicha et al., 2024) . However, because job opportunities are limited in the area of origin and the manufacturing, service, and labor-

intensive industries outside Central Java Province, especially Jabodetabek, have wider and more varied job opportunities, so many workers from Central Java Province choose to migrate to other cities. This causes OSR in Central Java Province to not show an optimal increase with the influence of HDI because most productive employees migrate and work outside Java, especially in Jabodetabek, the possibility of income tax revenues that can increase OSR in Central Java has decreased. This can also result in the HDI factor having no effect on Own Source Revenue in Central Java Province.

The journal that supports the statement that HDI has no effect is by Maulana et al. (2023) which states that HDI has no effect on economic growth because there are adequate HDI supporting facilities, but public awareness to use these facilities is still low, so the facilities provided will not function optimally. Therefore, HDI has no effect on OSR because based on the data, HDI continues to increase in all regencies/cities in Central Java Province, this shows that people have good access to education and health services. However, OSR in several regencies/cities is still very low. This inconsistency may indicate that HDI has no effect on OSR in regencies/cities in Central Java Province. In addition, HDI has no effect on OSR because many people are still not aware of utilizing adequate facilities optimally.

CONCLUSION

Based on the results and discussion, the conclusions of this study are as follows: Consumption does not affect Own Source Revenue (OSR) because based on data per capita expenditure and OSR are not in line with their increase so that there is no contribution from the consumption variable to OSR. In addition, increasing consumption will only have an impact on OSR if followed by optimization of relevant tax and levy collection and improvement of regional fiscal administration. Minimum Wage has a positive and significant effect on Own Source Revenue (OSR) because based on previous data and research which can explain that increasing the minimum wage triggers investment activities and community income so that it also has an impact on increasing OSR.

The Human Development Index (HDI) does not affect the Own Source Revenue (OSR) because based on data published by the Central Java Provincial Statistics Agency in 2025, HDI experienced a consistent upward trend from 2019 to 2024 in each Regency/City of Central Java Province. However, the trend of Own Source Revenue is not in line with the increase in HDI and many people are still not aware of utilizing decent facilities optimally. Own Source Revenue (OSR) in Central Java Province for the 2019-2024 period has a positive and increasing trend. However, there is still an increase in OSR that is not evenly distributed in each Regency/City. One of the factors that contributed to the fluctuation of OSR was the *Covid 19 Pandemic* in 2020-2022.

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