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Analysis of Educational Inequality on Economic Growth in South Sumatra

Olvy Dica Zalianti[1]*, Bertha Esti Iin Indraswanti[2]
Department of Development Economics, University of Bengkulu, Indonesia
Corresponding Author : Olvy Dica Zalianti olvydicazalianti17@gmail.com

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A B S T R A C T
This study aims to analyze how big the educational inequality is and what factors influence it, such as poverty, population, government spending in the education sector, and per capita income, and how big its influence is on economic growth in the Province. This study is secondary data sourced from the Central Statistics Agency and the Directorate General of Fiscal Balance of the Ministry of Finance of the Republic of Indonesia. The data analysis method used is the Education Gini Index and panel data regression analysis with the Fixed Effect Model. The regression analysis uses two models, the first model's independent variables are poverty, population, government spending in the education sector, and per capita income while the dependent variable is educational inequality. The second model's independent variable is educational inequality while the dependent variable is economic growth. The results of the study show that educational inequality in South Sumatra Province in 2023 is at a low inequality level of 0.27. The results of the analysis in the first regression model show that poverty has a significant positive effect on educational inequality, while educational spending and per capita income have a significant negative effect.While the second regression model shows that educational inequality has a significant negative effect on economic growth.

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INTRODUCTION

Economic growth is one of the indicators of a country's success (Irawan & Akbar, 2022; Saefulloh et al., 2023; Syofya). Several factors that influence economic growth include the number of workers, capital, and technological developments. The workforce influences economic growth both in terms of quantity and quality. The quality of the workforce is influenced by various factors, one of which is education and health (Nugroho, 2014). Education is considered the most crucial factor in determining the quality of human resources because it can improve the skills and productivity of the workforce, which in turn contributes to economic growth (Uddin & Khan, 2024).

According to Permata andIndraswanti, (2023) Education plays an important role in reducing long-term poverty. According to the vicious cycle of poverty theory, low productivity leads to low income, which in turn causes low demand for goods and services. This has an impact on the lack of investment in a region. When productivity remains low, the capital obtained also decreases. Therefore, improving overall education is needed to increase productivity and efficiency, where improving community skills will help increase income. Based on the Human Capital theory by Gary Becker in Edeji's research, (2024) education is considered as a form of investment in human capital that can increase individual productivity and in turn, drive economic growth. In the context of South Sumatra, educational inequality hinders the improvement of the quality of human resources in certain areas, which then has a negative impact on overall productivity and economic growth. This theory is based on the assumption that the more evenly education is accessed by the community, the greater the potential for inclusive economic growth.

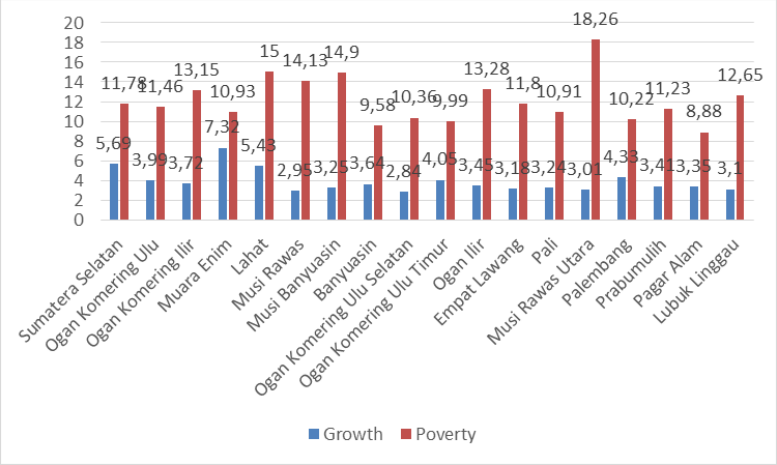

Figure 1. Economic growth and poverty in South Sumatra 2023
Source: Central Statistics Agency of South Sumatra (2023)

The graph of poverty and economic growth in South Sumatra in 2023 shows a significant gap between the two indicators. The poverty rate in various regencies/cities ranges from 8.88 percent to 18.26 percent, with North Musi Rawas Regency recording the highest poverty rate, at 18.26 percent. Although several regions have experienced quite good economic growth, such as Muara Enim and Lahat, the poverty rate is still quite high. This indicates that economic

growth has not succeeded in evenly reducing poverty rates across the region, reflecting the challenges in the benefits of economic growth in South Sumatra.

Yang & Qiu's research, (2016) stated that poor families do not have great opportunities to obtain education. The higher the poverty, the higher the educational inequality because the poor cannot fulfill educational facilities. As a result, they have difficulty understanding and following the development of information and technology that continues to change (Efrika, 2020). Areas with high poverty rates may face challenges in access and quality of education, which can affect people's ability to obtain better jobs and increase income.

In addition, education also expands opportunities for individuals to obtain higher-paying jobs, which in turn increases per capita income and consumption (Hanushek & Woessmann, 2021). High consumption will drive demand for goods and services, which then drives the economy. At the national level, a more educated society is able to drive innovation and technological development, two important factors in long-term economic growth. So, the better a country's education system, the higher the chances of achieving sustainable and equitable economic growth (Goczek et al., 2021). So if education has high inequality, it is likely to affect economic growth.

Unequal access to education results in segmented individuals, where a small number of individuals with higher education can fill strategic positions, while the majority are trapped in low-income jobs that do not utilize their potential (Frisvold & Pitts, 2021). This condition not only hinders innovation and productivity but also creates a cycle of poverty that is difficult to break. With low skills among the workforce, companies may struggle to compete in the global market, which in turn reduces the attractiveness of investment. In addition, educational inequality can widen social gaps, creating dissatisfaction and instability, which further hampers inclusive and sustainable economic growth (Ferreira et al., 2022).

Studies on educational inequality have been widely applied in several countries, such as Research conducted by (Nurse & Melhuish, 2021) which highlights educational inequality in various European countries, including rich countries such as the UK, France, and Germany, as well as poorer countries in Eastern Europe such as Poland and the Czech Republic. The results of the study show that countries with higher educational inequality, especially in Eastern Europe, such as Poland, face challenges in achieving stable economic growth. In Poland, for example, post-Socialist economic changes led to a decline in heavy industry which had an impact on the quality of education and economic opportunities for low income groups. They also found that countries that succeeded in reducing educational inequality were better able to achieve inclusive economic growth. Educational inequality has a significant negative effect on economic growth (Bustomi, 2012; Fauziah, 2022; Ranik; Alianis; M irfan, 2016; Riyadi & Ghuzini, 2022; Saputra et al., 2015).

Educational inequality in South Sumatra Province was chosen because no one has studied it specifically. Therefore, this study was then conducted to examine educational inequality in South Sumatra, and to prove whether educational inequality in South Sumatra has a significant negative effect on

economic growth in South Sumatra. This study is expected to be able to answer the importance of equalizing education throughout Indonesia, especially South Sumatra, so that society becomes more prosperous.

LITERATURE REVIEW

Human Capital Theory

Based on the Human Capital Theory put forward by Gary Becker, investment in individual education and training can be considered as an investment in human capital. According to this theory, human resources who have good knowledge, skills, and experience will increase the productivity and economic welfare of a country. Thus, individuals who have high human capital tend to have a better chance of achieving success and making a positive contribution to economic development (Irawan & Akbar, 2022).

Huang, (2024) highlighted the importance of human capital composition in driving long-term economic growth. He stated that it is not only the quantity of human capital that plays a role, but also the quality and type of skills possessed by the workforce. This study shows that improving the composition of human capital can drive innovation, productivity, and sustainable economic growth. Therefore, investment in appropriate education and training is essential to achieve optimal economic growth in the future. This finding is important for understanding the context of inclusive and sustainable development.

According to human capital theory, education has a significant impact on economic growth (Rahim et al., 2021). This impact is achieved through increased skills and labor productivity. Rapid economic growth in Asian countries, as well as the shift towards more sophisticated industrial and service sectors, has increased the demand from the business world for skilled human resources. These skilled human resources can only be produced through a good education system (Dore & Teixeira, 2023).

Several studies have shown that increasing investment in human capital, especially through education, can drive strong economic growth (Alimin & Barat, 2024; Dwiarsyah et al., 2022; Hanim, 2023). This investment not only strengthens individual skills and knowledge, but also increases overall labor productivity, which ultimately contributes to consistent economic development. Therefore, education is an important element in forming a competent and creative workforce, ready to face future economic challenges. According to Yuliyanto, (2024) in Indonesia economic growth will be effective when investment in human capital is increased.

Educational Inequality

Educational inequality is a situation where there is inequality in the level of education of graduates in a region. This inequality is measured by the Gini index of education, which calculates the ratio of the average years of schooling of the entire population. (Rico, 2019). Research by Muhadzib et al., (2023) highlights how inequality in access and quality of education can affect social and economic outcomes. This study shows that educational inequality not only impacts individuals, but also contributes to broader social inequalities. They emphasize the importance of inclusive education policies to reduce this gap and increase

opportunities for all individuals, especially in disadvantaged areas. Therefore, improving access and quality of education can be a means to promote social justice and sustainable economic growth.

Research by Ainscow, (2024) discusses how educational inequality can affect economic and social outcomes in different countries. This study shows that inequality in education not only impacts individuals, but also overall economic growth, as it hampers the potential of existing human resources.

Education is a key factor in improving the overall quality of individuals and supporting their holistic development. Educational inequality is a significant topic in the study of social stratification in contemporary culture. One of the most important factors influencing social mobility is education (Dwiarsyah et al., 2022). Inequality in access to education not only hinders individual development but also reinforces social stratification, where less privileged groups fortunate tend to have difficulty escaping the cycle of poverty. Therefore, it is important to address educational inequality as an effort to increase social mobility and achieve greater social justice.

Studies on educational inequality have been widely applied in several countries, such as Research conducted by Nurse & Melhuish, (2021) highlighted educational inequality in various European countries, including rich countries such as the UK, France, and Germany, as well as poorer countries in Eastern Europe such as Poland and the Czech Republic. The results of the study showed that countries with higher educational inequality, especially in Eastern Europe, such as Poland, face challenges in achieving stable economic growth. In Poland, for example, post-Socialist economic changes led to a decline in heavy industry which had an impact on the quality of education and economic opportunities for low-income groups. They also found that countries that succeeded in reducing educational inequality were better able to achieve inclusive economic growth.

Research by (Aidoo & Donkoh, 2023), which examines educational inequality and economic growth across continents in the world. The research findings reveal that inequality in education reduces economic growth in Africa, Europe, and North America.

Further research by (Langthaler & Julia, 2023) examines educational inequality from a global perspective, focusing on the differences between countries in the Global North and Global South. The Global North refers to developed countries with high levels of economic, infrastructure, and educational development, such as the United States, Canada, Western Europe, and Australia. Meanwhile, the Global South includes developing and poor countries, such as those in Sub-Saharan Africa, South Asia, and Latin America, which often face challenges in access to education and resources. The results of the study indicate that educational inequality in the Global South, rooted in a history of colonialism and unequal distribution of wealth, exacerbates social and economic disparities. This study indicates that the lack of equal access to education in countries in the Global South contributes to increasing social inequality and slowing economic growth in the region.

Research (Harahap et al., 2020) examines the effect of educational inequality on economic growth in Indonesia. They found that income inequality, poverty,

and gender gaps in education significantly contribute to educational inequality, which in turn has a negative impact on economic growth. Educational inequality reduces access to human resources needed to drive productivity and innovation. This shows that regions with high educational inequality have difficulty achieving optimal economic growth. Therefore, reducing inequality in education in various regions is very necessary to ensure equitable distribution of economic benefits.

Previous research conducted by Wardhana et al., (2023) analyzed the determinants of educational inequality in provinces in Indonesia. This study found that educational inequality, as well as dropout rates in Elementary and Junior High Schools, have a positive and significant impact on income inequality. In contrast, Gross Regional Domestic Product (GRDP) at constant prices and government spending in the education sector show a significant and negative effect on educational inequality. These findings emphasize the importance of government policies, especially in the allocation of the education budget, to reduce educational and income inequality in Indonesia.

METHODOLOGY

The type of research in this study is quantitative research. This study took place in South Sumatra Province while the time period used was 2018-2023. The data source used is secondary data. Secondary data sources were obtained from the Central Statistics Agency of South Sumatra Province, the Directorate General of Fiscal Balance, Ministry of Finance of the Republic of Indonesia. The types of data used are the education gini index, economic growth, poverty, population, per capita income and government spending in the education sector.

The analytical methods applied include education gini analysis and panel data regression analysis using the Fixed Effect model. The education gini index analysis aims to measure educational inequality in South Sumatra Province, while panel data regression analysis is used to identify variables that influence educational inequality and economic growth in the province. This study involves two regression equation models. The first model identifies factors that influence educational inequality, namely poverty rate, population, government spending in the education sector and per capita income. The second model analyzes the relationship between educational inequality and economic growth.

The formula used is:

$$\text{Gini index} = 1 - \sum_{i=4}^{n} [fpi\ (FQi + FQi - 1)]$$

Keterangan :

fpi : Population Frequency in Education Level
FQi : Cumulative Frequency of years of schooling in education level
FQi-1 : Cumulative frequency of years of schooling from education level
N : Number of Education Level Groups

Based on the available data, education is divided into four groups, namely elementary school and below, junior high school graduate, senior high school graduate, and college. The Gini index is the most common and simple method to measure inequality. The Gini ratio ranges from 0 to 1. If G = 0, it means that there

is perfect equality (every individual receives the same portion of income or education), while if G = 1, it indicates total inequality or disparity in the distribution of income or education.

The analysis method in this study is panel data regression, with data processing using the Eviews 12 program. Panel data is a combination of cross-section data covering 17 districts/cities and time series data for 6 years. The first model of the panel data regression function is used to determine the factors that influence educational inequality as follows:

$$EducIneq = \beta 0 + \beta 1\ Poverty_{it} + \beta_2\ Population_{it} + \beta_3\ EducSpen_{it} + \beta_4\ PerInc_{it} + \varepsilon_{it}$$

Information:

EducIneq	: Educational Inequality
Poverty	: Poverty Rate
Populatioin	: Total population
EducSpen	: Government Expenditure in Education Sector
PerInc	: Per Capita Income
β_0	: Constant
β_1, β_2, β_3,β_4	: Regression Coefficient
ε	: Error Term

Poverty percentage data obtained by dividing the number of poor people by the total population in the South Sumatra region. In terms of population, the author takes population growth rate data obtained from the difference between the population in two specific time periods, then calculated as a percentage increase or decrease. For government spending in the education sector per year from 2018 to 2023 in billions of rupiah. And per capita income uses the rate of gross regional domestic product per capita at constant prices.

Then to see the relationship between economic growth and educational inequality, the second model of the panel data regression function is used to identify the relationship as follows:

$$Growth_{it} = \beta 0 + \beta 1\ EducIneq_{it} + \varepsilon$$

Information:

Growth	: Economic Growth
β_0	: Constant
X	: Educational Inequality
β_1	: Coefficient
ε	: Error Term

The dependent variable in the second model is economic growth. Economic growth is measured by calculating the increase in Gross Regional Domestic Product (GRDP) from one year to the next. The data that used to calculate this growth is taken from the South Sumatra Central Statistics Agency for the period 2018-2023.

RESEARCH RESULT

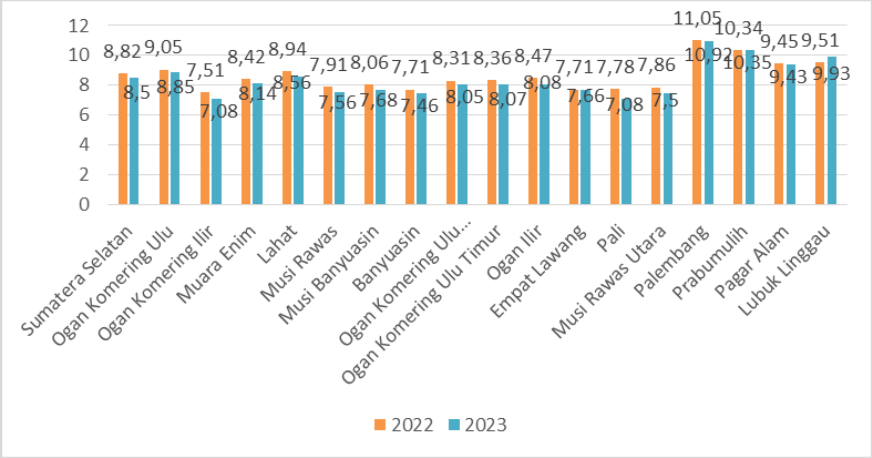

Figure 2. Average length of schooling in South Sumatra Regency/City 2023
Source: BPS South Sumatra (2022&2023)

In 2023, the average length of schooling for the Province of South Sumatra as a whole is 8.5 years, meaning that most of the population has completed junior high school education. However, there are several regions that have an average length of schooling higher than the provincial figure, such as Palembang 10.92 years, Prabumulih 10.35 years, and Pagar Alam 9.43 years, indicating that people in these areas have higher access or tendency to continue their education to senior high school level. Conversely, several regions such as Pali 7.08 years and Ogan Komering Ilir 7.08 years have a lower average length of schooling, indicating that most of the population in these areas have not completed secondary education, potentially exacerbating inequality in terms of economic and social opportunities. These areas may face challenges such as limited access to educational facilities or high dropout rates. This difference in average length of schooling indicates educational inequality across regions of South Sumatra, leading to future social and economic inequality.

Table 1. Gini Index of Education in South Sumatra Province 2018-2023

Regency/City	Education Gini Index					
	2018	2019	2020	2021	2022	2023
Sumatera Selatan	0,32	0,32	0,30	0,29	0,26	0,27
Ogan Komering Ulu	0,32	0,33	0,29	0,30	0,27	0,26
Ogan Komering Ilir	0,36	0,32	0,33	0,34	0,30	0,29
Muara Enim	0,31	0,33	0,32	0,29	0,26	0,27
Lahat	0,29	0,30	0,31	0,27	0,26	0,27
Musi Rawas	0,31	0,31	0,33	0,28	0,25	0,26
Musi Banyuasin	0,33	0,29	0,31	0,31	0,30	0,29
Banyuasin	0,34	0,33	0,36	0,27	0,27	0,33
Ogan Komering Ulu Selatan	0,28	0,30	0,23	0,23	0,20	0,22
Ogan Komering Ulu Timur	0,34	0,32	0,31	0,31	0,23	0,26
Ogan Ilir	0,30	0,29	0,27	0,26	0,23	0,26

Empat Lawang	0,37	0,33	0,34	0,32	0,31	0,30
Pali	0,42	0,39	0,41	0,40	0,35	0,37
Musi Rawas Utara	0,37	0,36	0,33	0,32	0,30	0,30
Palembang	0,19	0,22	0,14	0,13	0,11	0,13
Prabumulih	0,25	0,24	0,24	0,24	0,16	0,15
Pagar Alam	0,27	0,26	0,27	0,23	0,24	0,23
Lubuk Linggau	0,25	0,27	0,24	0,26	0,24	0,26

Source: Data processed 2024

Based on table 1, it shows that the education Gini index in South Sumatra Province in 2023 is included in the category of low educational inequality, which is 0.27. Data on the average length of schooling and the education Gini index in South Sumatra show a strong relationship between low educational attainment and high educational inequality. In Pali Regency, which has an average length of schooling of 7.08 years, it is among the lowest in South Sumatra. This low average length of schooling is directly proportional to the high education Gini index, which is 0.42 in 2018 and 0.37 in 2023.

The high education Gini index indicates that access to education in Palu is unequal, with a small proportion of the population having better educational opportunities, while the majority is left behind. In contrast, areas with higher average years of schooling, such as Palembang at 10.92 years and Prabumulih at 10.35 years, show lower educational inequality, with Gini indices of 0.25 and 0.24 respectively in 2023. This suggests that areas with higher educational attainment tend to have more equitable education. Overall, low average years of schooling are significantly associated with high educational inequality, highlighting the importance of improving access to education across the region to reduce inequality.

Based on the results of the applied model estimation, there are three models used, namely the fixed effect model, the random effect model, and the common effect model. Furthermore, testing was carried out using the Chow Test, the Hausman Test, and the Lagrange Multiplier. Based on the results of the tests that have been carried out, the Fixed Effect (FEM) was selected twice, namely in the Chow test and the Hausman test so that it can be decided that the Fixed Effect (FEM) model is more appropriate in the first model. The best model is FEM, then it will be continued with the classical assumption test. After the classical assumption test was carried out, this study passed the normality test, multicollinearity test, and heteroscedasticity test.

Table 2. Results of the first GLS data panel estimation model

Regression Model	Variabel	Koefisien	T-statistic	Probabilitas
Model Regresi First	C	0.189653	4.088.000	0.0001
	Poverty	0.076280	2.167.962	0.0331
	Population	0.001361	0.172677	0.8633

Education Spen	-0.001500	-0.496846	0.0062
Percapita Income	-0.001188	-0.671081	0.0041
R square	0.776522		
F-statistic	1.389.883		
Prob (F-statistic)	0.000000		

Source: Data processed by E-views 12 (2024)

Regression Equation Results

EducIneq = 0.189653 + 0.076280 Poverty + 0.001361 Population - 0.001500 EducSpen - 0.001188 PerInc Second model.

Based on the results of the tests that have been carried out, Random Effect (RE) was selected twice, namely in the Hausman test and the LM test, so it can be decided that the Random Effect (RE) model is more appropriate in the second model.

Table 3. Results of the second panel data model estimation

Regression Model	Variabel	Koefisien	T-statistic	Probabilitas
Regression Model Secound	C	0.296025	1.966162	0.0000
	Education Inequality	-0.022020	-1.344383	0.0181
	R square	0.179220		
	F-statistic	1.824933		
	Prob (F-statistic)	0.000000		

Source: Data processed by E-views 12 (2024)

Regression Equation Results

Growth = 0.2960 - 0.0220 EducIneq

DISCUSSION

The Impact of Poverty on Educational Inequality

Every 1 percent increase in poverty can increase educational inequality by 0.07. This means that when poverty levels are high, people's access to formal education decreases. Research results by Harahap et al., (2020); Soejoto et al., (2016); Widiansyah, (2017); Yasir et al., (2024) found that poverty has a significant positive effect on educational inequality.

In South Sumatra, the areas with the highest poverty rates are North Musi Rawas and Musi Rawas Regencies. Based on the research results, Panukal Albab Lematang Ilir Regency was recorded as the area with the greatest educational disparity. This shows that areas that experience more severe poverty problems also tend to have lower access to education, thus creating a cycle of poverty. Limited access to education in areas with high poverty rates worsens the social and economic conditions of the community, which in turn can hinder overall poverty alleviation efforts.

Resources for education such as school facilities, teachers, and access to books or technology may also be limited in poor areas. People with low incomes tend to face financial barriers to accessing formal education, which exacerbates

the gap between low- and high-income groups. Absolute poverty affects educational inequality because of the poor's low ability to meet daily needs, including education consumption. Poor people generally consider education less important due to factors related to their social and economic conditions. Therefore, they prefer to work rather than continue their education.

The Impact of Education Spending on Educational Inequality

Every 1 billion increase in government spending in the education sector can reduce educational inequality by 0.0015. In line with research by Setyadi, (2022) and Saputra et al., (2015) education spending has a negative and significant relationship with educational inequality, which shows that increasing education spending reduces educational inequality. When education spending increases by 1 billion, educational inequality decreases by 0.0015, which shows that increasing the education budget can expand access to education for disadvantaged groups. With more funds, the government can improve school infrastructure, increase the number of teachers, and provide assistance or subsidy programs for students from low-income families. Thus, increasing education spending contributes to the provision of more equitable education for all groups in society.

Pali Regency, which has the lowest allocation of education funds in South Sumatra in 2022, also faces the largest education inequality. This relationship suggests that the lack of investment in the education sector has the potential to exacerbate education inequality. The lack of education funds in Pali may result in limited development of education infrastructure, a shortage of teachers, and a lack of support programs for students from low-income families. As a result, groups in society who are already disadvantaged find it increasingly difficult to gain access to adequate education, which worsens education inequality. This phenomenon emphasizes the importance of improving allocation of education spending to reduce inequality and ensure more equitable access across the region, including in Pali.

Meanwhile, Palembang City has low educational inequality with the highest education spending in South Sumatra. This condition shows that the large allocation of education funds in Palembang contributes to expanding access to education evenly for its people. With a larger budget, the city can build more educational facilities, provide adequate teaching staff, and provide assistance to students from various economic backgrounds. This allows for equal learning opportunities for all levels of society, which ultimately reduces educational inequality. The comparison between Palembang and Palembang underlines the important role of education spending in reducing inequality in the education sector.

The Influence of Per Capita Income on Educational Inequality

Every 1 percent increase in per capita income can reduce educational inequality by 0.0011. In line with research by (Wardhana et al., 2023) which examines the determinants of educational inequality in Indonesia, it also shows that per capita income has a significant negative effect on educational inequality. The effect of per capita income on educational inequality can be seen from how higher income allows for wider access to education. In general, areas or

individuals with higher per capita income have better opportunities to continue formal education, such as school fees, books, and access to more affordable educational institutions. Conversely, in low-income areas, economic constraints often limit people's access to adequate education.

When per capita income is uneven, educational inequality increases. Lower-income groups tend to face barriers such as the need to work early or a lack of educational facilities in their area. In areas such as Pali in South Sumatra, which has the lowest per capita income, educational inequality is also greater, as many residents are unable to continue their education due to economic constraints. On the other hand, in areas with higher per capita income such as Palembang, the opportunity to obtain formal education is greater and more evenly distributed. Thus, unequal income will have a significant impact on educational inequality.

The Impact of Educational Inequality on Economic Growth

Every 0.1 increase in educational inequality can reduce economic growth by 0.0220. This is in accordance with research conducted by Nur, (2022) and Yasir et al., (2024) In this study, educational inequality has a significant relationship with economic growth, meaning that high educational inequality will reduce economic growth. In addition, research by Ghofur & Rachmawati, (2019), shows that Good economic growth and sustainable awareness will make a significant contribution to reducing educational inequality.

The education structure in South Sumatra is dominated by lower secondary education levels, which causes economic inequality in the region. Lack of access or opportunity to continue to higher education is one of the main factors that hinders the improvement of human resources. When only a small portion of the population obtains higher education, their ability to participate in more productive sectors of the economy is limited. This results in economic growth not being able to reach its maximum potential due to the lack of skilled workers. If this condition continues, the socio-economic gap will widen further, and the economic growth of South Sumatra will be hampered.

The results of the study show that increasing educational inequality in Indonesia contributes to declining economic growth. Unequal access to formal education creates gaps in human resource capabilities, which in turn hinders the economic potential of a region. Regions with high educational inequality tend to have lower productivity, because not all individuals have the same opportunities to acquire the skills and knowledge needed to compete in a competitive job market. Thus, it is important for the government and stakeholders to pay attention to efforts to equalize education so that economic growth can be maintained sustainably. Therefore, reducing educational inequality can be one of the key factors in driving more equitable and inclusive economic growth.

CONCLUSIONS AND RECOMMENDATIONS

The conclusion of this study shows that educational inequality in South Sumatra Province has decreased, with the Gini Index decreasing from 0.32 in 2018 to 0.27 in 2023. Despite improvements, educational inequality is still a significant problem in several areas, namely Panukal Albab Lematang Ilir

Regency with an average of 0.39. Factors that influence educational inequality include poverty, population, education spending, and per capita income, where poverty has a positive effect, and education spending and per capita income have a negative effect while population has no effect. In addition, this study found that increasing educational inequality is negatively related to economic growth, where every 0.1 increase in educational inequality reduces economic growth by 0.0220. Therefore, educational reform is needed to ensure equal access and quality of education to strengthen comprehensive and sustainable economic growth.

ADVANCED RESEARCH

The study on educational inequality in South Sumatra Province has several limitations. One is the reliance on secondary data that may not be entirely accurate, which can affect the results of the analysis. In addition, there are other unmeasured factors, such as local culture and education policies, that can also affect educational inequality. The focus of the study on only one province and a certain time period makes the results difficult to generalize to other regions in Indonesia. For further research, it is recommended that researchers collect primary data and use qualitative analysis methods to gain a deeper understanding of the context that influences education.

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