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The influence of education level, income per capita, and consumption on the economic growth in East Java

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Abstract. This study explored the influence of education level, income per capita, and consumption on the economic growth in East Java with the population included all data in East Java. The data collection technique used a saturated sampling technique which explored the whole population in East Java. The source of data was from the publication data of East Java Central Bureau Statistics which was conducted using the documenter method. The data analysis used pane data regression which has been tested and proved to use the fixed-effect model as the preference. The result of the study showed that partially the level of education does not influence economic growth in East Java significantly, income per capita influences the economic growth significantly, and consumption also influences economic growth in East Java significantly. Therefore, stimulant testing in education level, income per capita, and consumption influence economic growth in East Java significantly.

Keywords. Education level, Income per capita, Consumption, Economic growth

Introduction

Economic growth is the up and down economic processes for a long period which is related to the government efforts to improve Gross Domestic Product (GDP). Indonesia as a developing country aims to achieve better economic stability and equal economic growth which indicates the success of economic development. The development in the economic sector was attempted by the government to support the society to improve their salary and the equality of public welfare. In the economic activity sector, it depicts the improvement of goods and services production, in an area such as the production of goods, the number of schools as the education organizer, infrastructures development, and the addition of financial capital production (Sukirno, 2016, pp 422-423). The improvement shows better life standards and brings better changes. Moreover, new products with temporary innovation and moves statistically will be left behind (Case & Fair, 2009, p. 323). According to Rudra (2020), the link with economic growth is the innovations from new products that lead to productivity. The description of the economic development in East Java from 2010-2019 according to the Central Bureau Statistic from the whole data collection tended to be fluctuating even though there are low improvements. It is because the economic growth distribution was not well distributed in regions/cities which can be seen that some areas experience improvement and slow economic

activities. It somehow contributes to economic development, thus it needs to be attained to boost the growth of the economy.

Based on the data which tends to fluctuate because of several factors. One of the influences is from the educational aspect which needs to be concerned, especially on its human resources quantity and quality which is the main focus of the economic growth and development. Education has a crucial role to improve the quality of human life. Education has a big role to improve human effort to get jobs because they have been prepared with skills and knowledge to be a skilled worker in their field. Education is the determinant of economic welfare and it also improves human resources which are attached to the strengths of a country (Hanushek & Wößmann, 2007). The statement assumed that a country with a good population that being able to explore new knowledge will perform better. Therefore, education is seen as one of the ways to grow the economy since it is an intrinsic mechanism to absorb knowledge. (Marquez-Ramos & Mourelle, 2019). To support economic growth, it needs not only science but also skilled and educated human resources. It is the fundamental factor to get a better innovative economy. However, the average education level and a high number of informal job rank is the challenge to build better economic growth (Muhamad et al., 2018).

The number of graduate students from senior high school in East Java has surged significantly. It is because the middle school education level is more dominating than the lower or higher education level. Education becomes the main element in the growth of the economy because of human sources as the input factor in the production factor which can enhance national output and encourage more people to participate in the workforce (Seetanah, 2009). Besides, it fulfills its function to provide qualitative and quantitative labors that are needed in the process of development. On the other hand, the production and the distribution of the knowledge function which focuses on the mission to train skilled and productive workers for the base of educational system allocate more sources for education to get more knowledge production function opportunities and to enhance the process of growth and economic performance (Mercan & Sezer, 2014).

The income per capita is one of the components to develop economic growth. According to Sukirno (2016, pp. 424–425), the number of income per capita from GDP divided by the number of the population in a certain year or a certain area by using the indicator of Gross Regional Domestic Product (GRDP). The Statistic Central Bureau data shows that the income per capita is described through GRDP Per capita at Constant Prices which rise every year. However, the increase does not seem significant. Thus, it can be seen in the area of regions/cities in East Java is still uneven in their income per capita which is used as the parameter by the government for their public welfare.

The consumption in the approach of expenditure according to Oktima (2012, p. 232) can be interpreted as any aspects which can be defined as the national expenses in terms of expenditure on the consumption of goods and services within a certain period. It is very central because it is related to macroeconomic indicators to develop and build the economy in an area. It is also mentioned by Varlamova (2015) in his study which focused on the countries under the OECD organization. It shows that the consumption expenses reflect a strong relationship with the increase of welfare and economic growth. To achieve it, it needs appropriate economic policies in the analysis of changes in household spending that occur under the influence of macroeconomic factors. Based on the data of the Statistic Central Bureau each year, it explains that community household consumption has increased. However, it does not also reflect the macro indicator that in each area there are still gaps in household consumption in some districts/cities in East Java which cannot cover the possibility of obstacles in the economic

welfare. It comes from the demands of goods and services that support the positive stimuli towards economic growth. As a result, there is a need to concern that aspect of consumption.

The effect of the high economic growth influences the growth of consumption because there is an increase in the GRDP could cause an increase in terms of income. As a result, it influences the increase in good quality consumptions. According to Mahadea (2008), the advantage in the output of the regional economy is better possibilities of employment and income, which affects people's welfare escalation because the consumption aspects have been fulfilled well. It comes from the basic needs and the needs in increasing innovation and development of the sustainable business sector that contributes to economic growth.

Literature review

The Relationship of Education Level on Economic Growth

The level of education is one of the right indicators to improve economic growth because education can improve human quality to develop their skill to work or entrepreneurship after certain efforts in the process of education. According to Marquez-Ramos (2019), education as a channel to increase human resources and the performance of a country's economic growth is different based on human resource evolution. His study also summed up that middle education and higher education level influence economic growth. Meanwhile, Citra in her study explored the relationship between the numbers of workers has a positive and significant connection toward economic growth. It does apply to the education level of workers and government spending on education which has a positive and significant relationship. It means that the function of education and the government's role to deliver education and anything related to it has big impacts on the public economy in a certain area (Lubis, 2012). However, Muhammad (2018) found that the relationship between human capital and innovation capacity and its impact on economic growth in ASEAN countries shows that a short-term relationship has an effect on economic growth but has no long-term effect.

Mariana's (2015) study about the causal relationship between education and economic growth in Romania showed a positive and significant relationship toward economic growth. The same finding was also stated by Nugroho (2014), Supartoyo (2014) dan Seetanah (2009) who explained that there is a significant relationship between education and economic growth. A study by Afzal (2011) which explored the co-integration and causality between education and economic growth in Pakistan used time-series data that showed that there are a relationship and feedback on economic growth. Moreover, Burja (2013) stated that educational factors can influence the rate of sustainable economic growth in NMS UE and Romania. The same result is also found in Ogundari's (2018) study which explained the impact of human capital, that is education, on economic growth in Sub-Saharan Africa (SSA) has a positive effect.

The Relationship between Per Capita Income and the Economic Growth

The income per capita is the result of calculating the Gross Domestic Product (GDP) or Gross National Income (GNI) divided by the total population. The results of this calculation are often used as a benchmark for a country which is the higher the GDP per capita received by a country, the more prosperous the country is (Pracoyo & Pracoyo, 2007, p. 28). The variable connection is much related because the indicator of economic growth is a reflection of the amount of per capita income received by the public. The income per capita can show public welfare because high income shows the high level of public welfare in an area and can be categorized as prosperous. On the other hand, low income per capita indicates that the community can be categorized as not prosperous or poor.

The previous study focused on the number of poor people in Brebes district who were found that economic growth has a significant relation yet negative toward the number of poor people. However, income per capita shows a significant and positive effect on economic growth and the dependency ratio of the population also has a positive and significant relationship with the number of poor people (Marmujiono, 2014). Therefore, it can be concluded that the income per capita definitely can depict public welfare and the negative effect of population increase which can deficit the income per capita as well as the regional economic growth. Nevertheless, economic growth does not always picture the real public welfare condition.

In a study by Mthuli, et. al. (2014) which used time-series and cross-section data in MENA countries from 1985-2009, the influence of income on the economic growth explained that the income shortfall can decrease the economic growth. The same finding was also stated by Yu (2005) who tested the effect of income inequality on economic growth in the US. Then, Muhammad's (2010) finding showed a contradiction in the significant relationship between income inequality and economic growth. In another discussion which is stated by Dallin (2019) mentioned that the use of minimum wages as a determining policy tool to increase economic growth which at the beginning can increase income per capita of the community and have a positive impact on workers. Employee welfare with the increase in minimum wages can improve the quality of life and future economic growth tends to increase as well (Fanti & Gori, 2010; Zagler, 2005).

Another study has a different perception that the real condition of public welfare cannot be fully interpreted through income per capita. When income per capita is calculated based on the comparison between GRDP and the number of the population, it is found the average value from the income which is higher than the income from the low salary population. In a study that focuses on the growth of the economy, the income per capita, and the Human Development Index (HDI) in West Kalimantan by using local typology analysis which can define the structures and patterns of the economic growth. It is divided into four categories: (1) A region with a large income value as well as a large economic growth; (2) A region with large incomes and small economic growth; (3) A region with low income and high economic growth; and (4) A region with low income and low economic growth. They show that there are inequalities among regions and also the development gap between cities in West Kalimantan (Pontianak and Singkawang). Meanwhile, no region has high performance in those three indicators. The other eleven districts have performed variously. The development policy to improve public welfare and to increase economic growth, income per capita and HDI at the level of districts or cities should be based on the purpose of development on a regional scale whether it is in the local level, province, or even national level with the central pattern. Therefore, it can facilitate regional development in the future (Bariyah, 2015).

The Relationship between Consumption and Economic Growth

Consumption is one of the determinant variables which can influence economic growth in any basic public consumption activities which is necessary for human activities to fulfill their needs. A study that focuses on the economic growth in Aceh showed that household consumption has a strong relation in improving economic growth where the GRDP variables which influence it has a positive and significant effect on household consumption expenditure. Even though the same thing on other variables have a positive and significant relationship which indicates a strong relationship in government consumption expenditure on economic growth (Athailah et al., 2016). The same statement was also conveyed by Wong (2010) that domestic household consumption, government consumption, and investment are important for economic growth. It is also supported in other studies by Sakib (2011), Puspi (2014), Athailah (2016),

Christiana (2017), Vladimir, et. al. (2018), and Richna et. al. (2018) in determinants analysis of economic growth shows that consumption has a close relationship with economic growth.

Another finding showed a different perspective about consumption and its relation to economic growth which focuses on the study in Lombok. It explained that it is unlikely there is the tendency of household consumption can increase economic growth. The reason is household consumption expenditure does not have a significant effect but has a positive effect on economic growth, then, an investment that comes from the private sector does not have a significant relationship to economic growth, while there was a fairly dominant influence from direct government spending on economic growth (Padli et al., 2020). The statements are supported by the previous study which stated that there is a tendency the increase continuously every year in the government consumption expenditure variable and the government investment expenditure variable. The study that focuses on economic growth in Indonesia explains that there is a significant and positive relationship to economic growth. Moreover, the capital expenditure variable also has the same significant and positive relationship with economic growth.

The previous argument was based on the reason that the coverage of government consumption expenditures can make a major contribution to increasing economic growth and national gross indicators. It is due to the increase in the consumption function as a result of routine state expenditures which include salaries and pension funds, allowances, and expenditures on domestic goods and services, routine expenses and others routine expenditures that have an impact on increasing the employees and public consumption (Swaramarinda & Indriani, 2011).

The Relationship between Education Level, Income Per capita and Consumption on Economic Growth in East Java

The relationship between three variables in the previous study also provides an in-depth understanding of the economic growth in the level of education and income toward economic growth. It is Rehme (2007) who stated that an increase in education can decrease income inequality, but Mahadea (2008) argued that the high increase of the economy is considered being wanted because it contributes to the rise in the wealth, income, employment, and output of a country.

Fakthong (2012) convergence of income and long-term economic growth that is collected from the increase in human resource in Thailand Province affects the per capita increase in economic growth. Moreover, income and consumption influence economic growth. Akira et. al. (2003) dan Siddhartha (2017) stated that the portion of consumption will increase in line with the increase of income which is caused by economic growth but balanced by the government intervention in the form of policies as control of public consumption, the findings suggest such ways. Chen (2018) mentioned that the relationship between consumption and human resource in China has a major effect on economic growth.

Research method

This study used a quantitative approach with a regressive method to find out the influence of the independent variables namely education level, income per capita, and consumption towards the economic growth in East Java from 2010 -2019. The populations in this study were all districts/cities in East Java. The sampling was based on certain purposes and considerations by taking the whole population or saturated sampling which means all the populations are used as the sample. The samples in this study were taken from each of the cross-section data of 38 districts/cities in East Java and the time series is ten years from 2010-2019,

so the number of the sample in this study is 280 samples. The data collection technique in this study was the documenter method. The data was collected from secondary data from the data publication of East Java Statistic Central Bureau with the time series data which was collected from a certain period to show the changes over time. Data analysis used panel data regression analysis. The regression equation to be tested in this study is as follows.

$$EGROWTH_{it} = \alpha + \beta_1 EDU_{it} + \beta_2 INCOME_{it} + \beta_3 CONS_{it} + \epsilon_{it}$$

Result

The Panel Data Regression Analysis

In this study, there are three models of estimation technique with panel data regression which consist of common effect, fixed effect, and random effect. The determination of the three models was tested previously before the panel data estimation technique is done by using the chow test. . The chow test determines which model is more suitable between the common effect and the fixed effect to be used in panel data.

Table 1
Chow Test Result

Redundant Fixed Effects Tests

Equation: Untitled

Test cross-section fixed effects

Effects Test	Statistic	d.f.	Prob.
Cross-section F	959.856929	(37,339)	0.0000
Cross-section Chi-square	1771.256805	37	0.0000

Source: Processed by Researchers (2020)

Based on the table above, it can be seen that the result of the chow test showed the probability value in the Chi-square cross-section is 0.0000 or < 0,05. It means that the best model to be used in this study is a fixed effect. After that, it was followed by the Hausman test. Hausman test is used in panel data regression to define which models were suitable between fixed effect and random effect model.

Table 2
Hausman Test Result

Correlated Random Effects - Hausman Test

Equation: Untitled

Test cross-section random effects

Test Summary	Chi-Sq. Statistic	Chi-Sq. d.f.	Prob.
Cross-section random	189.858940	3	0.0000

Source: Processed by Researchers (2020)

Based on the previous table, the result of the Hausman test shows the value of the cross-section Chi-square is 0,000 or less than $< 0,05$. Therefore, a suitable model is a fixed-effect model.

After the Chow test and Hausman test, it can compare which model is the best among the three, fixed-effect model, and a random effect model. As a result, the best model that can be used is the fixed effect model approach which later would be interpreted. The following is a table of the results of the fixed-effect model.

Table 3
The Result of the Fixed Effect Modal Approach

Dependent Variable: EGROWTH
Method: Panel Least Squares
Date: 10/30/20 Time: 13:29
Sample: 2010 2019
Periods included: 10
Cross-sections included: 38
Total panel (balanced) observations: 380

Variable	Coefficient	Std. Error	t-Statistic	Prob.
C	-0.166191	0.076654	-2.168049	0.0309
EDU	0.027899	0.014256	1.956977	0.0512
INCOME	0.869976	0.031878	27.29065	0.0000
CONS	0.086800	0.013201	6.575268	0.0000

Effects Specification

Cross-section fixed (dummy variables)			
R-squared	0.998682	Mean dependent var	4.304789
Adjusted R-squared	0.998526	S.D. dependent var	0.427972
S.E. of regression	0.016429	Akaike info criterion	-5.277907
Sum squared resid	0.091501	Schwarz criterion	-4.852784
Log likelihood	1043.802	Hannan-Quinn criter.	-5.109217
F-statistic	6421.108	Durbin-Watson stat	0.849976
Prob(F-statistic)	0.000000		

Source: Processed by Researchers (2020)

Based on the table above, it can be seen that the value of R – square is 0,998526. It means 99,8% of the dependent variable on economic growth can be explained through the three independent variables: education level, per capita income, and consumption. After testing the analysis and hypothesis requirements, there is an estimate of panel data in this study, namely:

$$\text{EGROWTH} = - 0,166191 + 0,027899\text{EDU} + 0,869976\text{INCOME} + 0,086800\text{CONS}$$

Table 4
The Result of the Hypothesis Testing

Dependent variables:	Model	Result
Economic growth		
Education level	0.027899 (0.0512)	Positive Not significant
Per capita Income	0.869976 (0.0000)	Positive Significant

Consumption	0.086800 (0.0000)	Positive Significant
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Discussion

The Relationship between Education Level and Economic Growth in East Java

Based on the results of the study with the panel data regression analysis test, it shows that there is no significant relationship between the level of education and economic growth in East Java. It is proven with the t-test results of the education level variable with a greater value than the significance level. Afterward, the variable in the level of education has a positive relationship which shows the unidirectional relationship to economic growth. It means, the higher the education level, the more increasing the economic growth. Vice versa, there is an increase in economic growth also affects the growth of education level in East Java.

The result of this study contrasts to the previous study by Marquez-Ramos(2019), Muhammad (2018), Ogundari (2018) Mariana (2015), Nugroho (2014), Supartoyo (2014), Lubis (2012), Afzal (2011), and Seetanah (2009) which stated that education has a significant effect on the economic growth since it is the crucial element as a long term investment toward the economic growth. The lacks of consistency with previous studies explain that education in East Java at the secondary level has not fully increased its contribution significantly to economic growth. However, the positive relationship in the educational condition in influencing economic growth in East Java that education has an important role in increasing human resource, after making certain sacrifices/costs to reach the level of education. As has been stated by Mercan (2014) that the level of education affects economic growth positively through improvements in labor productivity and knowledge production capacity. The contradictory results of previous studies emphasize that there must be an emphasis on the performance in an area for the development process which is closely related to the effectiveness of the education system. Besides having positive contributions in social aspects, culture, and politics, the education system also effective to improve competition and give more contribution to economic growth by training qualified workers and increased productivity in the economy (Mercan & Sezer, 2014).

Judging from the number of workers according to the level of education of high school graduates, it is believed that they cannot fully reflect the level of labor productivity and cannot affect the welfare of the workforce indirectly. The knowledge received during the educational process has a high impact on the national economy of education which only completed on senior high school level is lack of working skills and knowledge. It refers to a previous study by Hanushek (2020) which explained that economic growth is influenced a lot by the workforce's knowledge and suggested focusing more on the education quality development policies at schools. This is similar to a study by Benos (2014) which explained the role and effects of education in the process of economic growth shows a conservative relationship but it does not relate to educational growth.

The Relationship of Income Per capita on the Economic Growth in East Java

Based on the result of the analysis, it shows that there is a significant influence on the income per capita toward the economic growth in East Java. The result was proven by the t-test result of income per capita variables which is lower than the significant level. Therefore, the result also has a positive relationship and its coefficient value is higher than the other independent variables. For those results, there is certainly a direct relationship between income per capita and economic growth. Therefore, the number of income per capita of economic

growth also increases. On the other hand, the rise of economic growth can be followed by an increase in income per capita.

The income per capita is very important to develop human welfare in a region and it is also different from one area to another. As stated in B.Nissim's (2007) study that there is a relationship between income per capita and economic growth. Moreover, other experts like Y. Hsing (2005) M.Shahbaz (2010), and Mthuli et.al (2014) also stated that income inequality also has an impact on economic growth. Besides, there is a negative relationship which explains that the low income per capita leads to the decrease of economic growth (Besarria et al., 2018; Falkinger & ZweimuÈller, 1997).

The income per capita in East Java has increased significantly, it can be seen that there are workers who are employed in various sectors of the business field. Moreover, the regional minimum wage is significant enough. The increase in minimum wages can have positive effects on workers' welfare which has implications for economic growth (Overstreet, 2019). The number of the regional minimum wage in 2010 – 2019 has soared in some areas in East Java, such as Gresik 38,57%, followed by Sidoarjo which increased by 38,54%, and Mojokerto 38,41%. In the scope of cities, Surabaya has increased by 38,60% (BPS, 2019).

The increase in people's income from their work can support a region's income per capita. Therefore, it can improve economic growth and public welfare can be achieved. Moreover, it can lessen the number of poor people as has been stated by Marmujiono (2014) and Maulidah (2015) that there is a positive and significant relationship between income per capita and poverty. The current moderation of wage increases has been interpreted as an investment of economic growth and as an income measurement in the future (Zagler, (2005). It is also in line with a study by Fanti (2010) which showed that wages/income which is received by workers can maximize welfare and improve the quality of life in the future.

Based on the studies by the experts, it can be summed that income per capita influence economic growth since one of its indicators is the income per capita. Therefore, it can be stated that the increase in income per capita will increase economic growth as well. The hypotheses which expect that income per capita influences economic growth have been proven and accepted.

The Relationship of Consumption on Economic Growth in East Java

Based on the analysis result of the study, it reveals that consumption and economic growth have a positive and significant influence in East Java. It is proven by the results of the t-test variable income per capita is lower than the level of significance. The result also has positive relationships and the coefficient value is lower than the other independent variables. Therefore, it can be confirmed that there is an inline relationship between consumption and economic growth. The consumption enhancement of economic growth has increased as well. Hence, the increase in economic growth can be followed by a consumption increase.

The situation is in line with the previous studies by Wong (2010), Sakib (2011), Puspi (2014), Athailah (2016), Christiana (2017), Vladimir et.al (2018), and Richna et.al. (2018). According to Han (2020), consumption includes two main parts: annual expenditure on durable goods and monthly expenditure on non-perishable goods. The interaction between consumption on growth and sustainable economic development is seen from the perspective based on the relationship among regions in East Java and then the income groups as the determinant in shaping the consumption pattern of society.

The increase in consumption is almost completely evenly distributed in most regions in East Java as seen from the annual data from 2010-2019. The increase in consumption is based on the grouping to meet people's needs, which consists of food and non-food consumption. The

increase of consumption in East Java is more dominating than in other cities, especially Surabaya which surged significantly. As the capital city of East Java, it is normal that the increase in consumption expenditure is very large considering that the dominant economic sectors are the secondary sectors, namely trade, accommodation, foods and beverages, industrial aspects, and so on. Therefore, consumption in Surabaya tends to dominate the non-food consumption group such as housing and household facilities and various durable goods and services. Moreover, in district scope such as in Sidoarjo, it tends to be non-food consumption. The areas close to Surabaya are possible that the increase in consumption will be balanced by the growth of the secondary business sector which can improve public welfare. Meanwhile, the other districts tend to have more consumption of food such as rice, dishes, and instant food.

Based on the result of the study and provided theories, it has explained that the consumption variable has a positive and significant influence on the economic growth, the greater the increase in the amount of consumption, the greater the impact on the increase in economic growth and social welfare. Therefore, the hypothesis that assumed consumption has an effect on economic growth can be proven and accepted.

The Influence of Education Level, Income Per capita, and Consumption on Economic Growth in East Java

Based on the results of the research in the analysis show that the level of education, income per capita, and consumption on economic growth influence economic growth in East Java. It can be proven from the results of the f-test for the three independent variables are smaller than the significance level. Therefore, the results showed that there was a simultaneous influence among education level, income per capita, and consumption on economic growth in East Java.

This study in line with previous studies by Rehme (2007) Mahadea (2008) and Fakthong (2012) which stated that education and income per capita influence economic growth. . Akira et.al. (2003) and Siddhartha (2017) supported that income and consumption influences economic growth. Chen (2018) found that the education level and consumption influence economic growth.

It can be seen that the education of the people in East Java has been quite increasing. The increase of economic growth in East Java with the number of high school graduates are absorbed and dominating the labor world. The working-age population of high school graduates is more dominant by the Baby-boom generation with a better education than the previous generation which is expected to support better economic growth. It links to a study by Han (2020) that human resource has been expected to be the main factor of economic growth as the continues of education growth achievement. Therefore, the more students passed their middle schools, the higher the opportunities to get better jobs. It is very possible that an increase in the number of graduates in line with the number of jobs available in the business sector can increase its contribution to economic growth. The income per capita has a very important role in its contribution to economic growth because it relates to the level of public welfare in East Java. After completing the education process, the reward is self-quality and productivity. According to Yubilianto (2020), the indirect capital which is obtained after the efforts during the education process, it is hoped that will provide them with adequate knowledge and skills which lead to an inevitable increase in income and consumption. The same argument is also emphasized by Mankiw (2006) that the increase of income has great changes in the economy which explains that economic equality produces and uses its output at a certain time. It can be concluded that skillful workers can improve income which leads to economic growth in East Java.

Things related to the consumption of the population in East Java indicate that they can improve their welfare and regional economic growth after receiving education, get a decent income, then be able to spend the income on consumption activities both food and non-food. However, according to Gomes (2010) consumption is made based on buying decisions by the level of public satisfaction. This can disrupt economic growth as a result of consumer sentiment there will be gaps in consumption in certain groups of goods. Therefore, the decision in consumption can be influenced thoroughly in the economic behavior whether it is for a short or long span. Moreover, public consumption behavior can stimulate several business sectors to increase production to meet the population needs in East Java. After receiving payment from consumption and production activities, it can increase economic growth.

Based on this study and the previous studies which stated that there is an influence on the level of education, income per capita, and consumption on the economic growth in East Java which is proven, and the truth can be accepted.

Conclusion

It can be concluded that there is a significant influence of education level and economic growth in East Java and the second variable has a more positive coefficient value. It means the increase in the education level is followed by an increase in economic growth. There is a significant influence of income per capita and economic growth in East Java and the second variable has a positive relationship. It can be explained that the increase in consumption can enhance economic growth. There is a simultaneous significant influence which are level of education, income per capita, and consumption on economic growth in East Java. It can be explained that the three variables have important roles in improving economic growth in East Java.

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