

The Effect of National Economic Growth and Employment Opportunities on Indonesia's Poverty Rate

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Abstract

The purpose of this writing is to determine the level of economic growth and employment opportunities that will have a significant impact on poverty. In the research method that is used directly using data that has been previously available to be tested first to see the results of the calculation of the data that has been provided. In addition, the specified calculation is also adjusted to which standard. So that the final result achieved in this study is that the level of the economy and employment significantly affect poverty.

Keyword: *Economic Growth, Job Opportunity, Poverty Level*

I. Introduction

Economic growth and poverty are important indicators of a country's successful development. All countries strive to achieve optimal economic growth and reduce poverty. In many countries of the world, economic growth is the most important prerequisite for combating poverty. However, the situation in developing countries, including Indonesia, is also causing problems for the increasing number of people living below the poverty line. The Indonesian government has made various poverty alleviation efforts to get rid of poverty caused by the crisis as follows. (Arius Jonaidi, 2012: 140).

Efforts to reduce unemployment and poverty are just as important. Theoretically, this means that people who are not unemployed have jobs and income, and the income from work is expected to meet their living

needs. When daily necessities are met, the number of poor people decreases. It is said that when the unemployment rate is low (there are many employment opportunities), the poverty rate is also low. (Yarliana Yacoub, 2012:176-185).

One of the most important factors in promoting the prosperity of a community is the increase in per capita income with the economic growth rate of the country or region. Economic growth, especially very rapid growth. It will not last continuously. There are other times when a state of economic growth is slow. In fact, there are often setbacks when economic growth is negative, which illustrates that real national income is lower than the previous year.

Unemployment is a condition in which a person who belongs to the category of the labor force does not have a job or in other words who is looking for a job and has not got it. Sukino (2000). Actors The cause of unemployment is the community, companies or private parties and the government itself. Things that cause unemployment such as increased production costs so companies have to cover production costs and reduce workers, government policies such as increasing oil prices which have an impact on increasing production costs and people's desire to find better jobs with high wages and according to their abilities. or field of science.

Government policy is very important in influencing and creating employment. It seeks to support stable government, private sector development, economic activity development and employment expansion. Increasing employment opportunities and decreasing unemployment are closely linked to

the level of national income and community prosperity. Increased employment opportunities will increase the level of national production and national income. Subsequent development will increase the prosperity of the community. This is a rough measure of per capita prosperity obtained by dividing national income by the number of inhabitants, thereby increasing employment opportunities and reducing unemployment. It will increase not only national income but also per capita income. According to Oaken's legal theory, the availability of employment opportunities is related to the investment derived from capital accumulation. The higher the national income, the greater the hope of opening up new production capacity to naturally take on new workers. So that in this study, it is expected to know directly the effect of national economic growth and the level of employment opportunities on the poverty level

II. Literature Review

Economic Growth Theory

Economic growth is a continuous change in a country's economic situation towards a better state. Economic growth is the long-term increase in the ability of a country (region) to make more and more economic goods available to its population. This capacity grows with technological advances and the necessary institutional and idealistic adjustments. (Jhingan, 2007:57). GDP/GNP Whether the population growth is greater or less than population growth, or whether there is a change in the economic structure. If

per capita income tends to increase over the long term, developing countries can explain the new economy.

According to Sukirno (2002:10) Economic growth means the development of economic activities that lead to an increase in the goods and services produced by society and an increase in the prosperity of society, and the ability to produce national goods and services increases from one time to another. To do. This increase in capacity constantly experiences an increase in quantity and quality due to factors of production. There are three

factors that influence the economic growth of a society (Todaro, 2000: 140):

- a. Capital accumulation Includes new investments in the form of land, equipment and human resources. This will happen if the share and current income will be saved and then invested to increase output in the future.
- b. Economic Growth Traditionally regarded as a positive factor in stimulating economic growth in relation to rising employment rates, meaning that the more the labor force, the more factors of labor production, while the more the population will increase the domestic market.
- c. Technological Advancements Advances caused by improved new and old ways of doing traditional work such as: how to grow rice, make clothes and so on. With the classification of technological advances, namely saving labor and saving capital.

Labor

Human resources (HR) or human resources have two meanings. First, human resources include the meaning of jobs and services that can be performed in the production process. In this case, HR reflects the quality of work a person spends to produce a product or service at a particular time. The second definition of HR is about people who can work to provide services or work. Being able to work means being able to carry out activities of economic value, that is, creating products and services that meet the needs of the community. Physically, your ability to work is measured by age. In other words, people of working age are considered

able to work. The working-age population is known as the workforce or workforce. In short, the working-age population is defined as the working-age population. (Sumarsono, 2009).

Employers include employers or active residents looking for other activities such as work, school attendance or household chores (Simanjuntak, 1985). Manpower or manpower consists of workers, not workers. The workforce is part of the workforce that produces goods and services in search of them. The workforce consists of employers and unemployed people looking for a job. Inactive groups consist of school attendees, household owners, and other groups or income recipients.

The supply or supply of labor in a community is the number of people who service the production process. Some of them are already actively engaged in activities to produce goods and services. They are called working groups or employees. Others are categorized as ready-to-work and job seekers and are called job seekers or unemployed. The number of job seekers and job seekers employed is called the economically active population or the economically active population. (Simanjuntak, 1985).

Employment Opportunity

Jobs are the number of people that can be accommodated in the company. This employment opportunity is fair to all workers if the available employment opportunities are sufficient or balanced with the number of existing workers. The field of employment is the field of business activity and is the institution where people work or have worked (BPS,

2016). According to Sumarsono (2009), the employment opportunities an economy can create depend on the growth and absorption capacity of each sector.

The factors that influence the uptake of the workforce are:

- 1) Possibility to replace other factors of production with labor.
- 2) The elasticity of demand for the products produced.
- 3) The ratio of labor costs to all manufacturing costs.
- 4) Elasticity of supply of other complementary factors of production.

According to Simanjuntak (1985) Labor demand theory is a theory that explains how much a company employs workers of various wages over a period of time. Labor demand is different from consumer demand for goods and services. People buy goods and services because goods provide benefits to buyers. But for entrepreneurs, hiring people is aimed at producing goods and services for sale to consumers. Therefore, an increase in employer labor demand depends on an increase in public demand for goods and services produced by the employer. Therefore, labor demand is derivative demand.

Poverty

The definition of poverty by BPS is "poverty is the condition of a person who can eat less than 2100 calories per person per day" (Tibyan, 2010). On the other hand, BKKBN (2003) defines poverty as "cannot serve church according to religion, whole family: cannot eat twice a day, whole family for home, work / school, travel". I don't have different clothes.", The largest part of the house is

double-decker land and cannot take families to medical facilities. ", The World Bank also defines poverty as: Reaching 2.00 per day (1 US \$ = Rp. 10,000.00) "(Yulianto, 2005). In addition, Bapenas described poverty as" individuals or groups of people, men and women fulfilling their basic right to earn a living. It is defined as "a state of being unable to lead a dignified life" (Apriayanti, 2011). The basic rights of the community include: Food demand, health, education, employment, housing, clean water, land, natural resources and environmental satisfaction, reassurance from the treatment or threat of violence, and the right to equal participation in socio-political life. For both women and men. "Living in poverty means not only living in shortages of money and low incomes, but also in many other things, such as deciding how to live. (Suryawati, 2005).

Poverty can be divided into the following four forms.

a) absolute poverty

A person's income is below the poverty line, or insufficient to cover the food, clothing, shelter, health, housing and education needed for life and work.

b) relative poverty

Poor conditions due to the effects of development policies that have not reached the entire community and are causing income inequality,

c) cultural poverty

Refers to problems of human or social attitudes caused by cultural factors such as not trying to improve life,

lazy, useless, non-creative, but with external help,

d) structural poverty

Bad situations due to poor access to resources occurring in socio-cultural and socio-political systems.

III. Materials and Method

This research was conducted using data that had been obtained previously, then described with the theory that had been used. The related data sources will be calculated first to determine whether the data is valid or not.

The data source for this study consists of primary / primary data and secondary / secondary data. The main / key data in this study is the economic level using the calculated data. Although the second / second date is the level of work opportunity. The data that researchers obtain from other informants is only used to enrich the data that researchers obtain from the main data. Moleong's Lofland and Lofland said: "In qualitative research, the main source of data is words, and the rest of the actions are additional data, such as documents."

In this data, it will be directly related to how the influence of the level of the economy and employment opportunities on poverty. By using as well as theory as a developer in this research.

As Cooper and William stated that "primary data came from sources and was specially collected to answer research questions," the main data in this study is at the economic level..

Data analysis is also known as data processing and interpretation. Nasution data analysis is "the process of putting together data so that it can be interpreted. Compiling data means organizing it into patterns, themes, or categories."

As Nasution said, data analysis should be done from the beginning, and Sugishirono said, "Analysis begins with problem formulation and explanation and continues until the research results are written before entering the field. ". Data analysis is the process of processing research results that begins with patterns and patterns assembling, classifying, analyzing, and interpreting data. the relationship between concepts and formulate it in the relationship between other elements so that it is easy to understand and understand. The data collected is analyzed in the following ways:

1. Data Reduction (Data Reduction)

The data the researchers received from the field was presented in the form of detailed explanations or reports. This report continues to grow, and if not analyzed immediately, it will increase the difficulty for researchers. Therefore, researchers reduce data by systematically collating the data, highlighting key points and making them easier to control. "Reducing data is about summarizing, selecting and focusing on the most important things. Focusing on the important things and searching for topics and patterns, the reduced data is more. It provides clear images and makes it easier for researchers to collect more data and search for them as needed. The

reduced data provides a clearer image of the observations, making it easier for researchers to find the data they get when needed. Data reduction is also useful for coding certain aspects. The data reduction that researchers

make is to select and sort data based on the number of informants who mention the problem and present it.

2. Data Display (Data Display)

After the data is collapsed, the next important flow of data analysis is the display of the data. Miles and Huberman said in Suprayogo: "Data presentation is a structured set of information presentation that provides an opportunity to draw conclusions and take action. The most common presentation used in qualitative research is in the form of narrative text. To combine organized information in a consistent and easily accessible format, narrative presentations need to be complemented with different types of matrices, graphs, networks, and diagrams. "Qualitative research is a data presentation. Can be in the form of brief descriptions, diagrams, and relationships. Between categories, flowcharts, etc. occur. The most common representation of data in qualitative research is narrative text. On the other hand, according to Nasution, "data can be displayed by creating graphs." The presentation of the data created by the researchers was in the form of descriptive text. Researchers chose this type of data display because it was easier to understand and implement. If there are multiple tables presented by the

researcher, they are only complementary.

IV. Results and Discussions

In the observation data that has been carried out, it can look like the table below:

Year	Proverty	Employment Opportunity	Economic Growth in Indonesia
2010	13.33	92.59	6.22
2011	12.36	93.04	6.17
2012	11.66	93.63	6.03
2013	11.47	94.12	5.56
2014	10.96	94.3	5.01
2015	11.13	94.19	4.88
2016	10.7	94.05	5.03
2017	10.12	94.67	5.07
2018	9.66	94.9	5.17
2019	9.22	95.02	5.02
2020	10.19	95.06	2.97

In the data shown, the poor population has decreased and in 2020 it will rise again. Related to this, if you look directly at it, the level of job opportunities is increasing every year. However, there has been a decline related to economic growth which in the last 10 years can be seen in 2020, it has decreased by 2.97. When compared with previous years, the economic growth in 2020 has decreased significantly. Dengan mengetahui data tersebut, maka hasil yang di dapatkan sebagai berikut:

Dependent Variable: Y
Method: Least Squares
Date: 10/13/21 Time: 08:48
Sample: 1 10
Included observations: 10

Variable	Coefficient
C	165.3880
X1	-0.155274
X2	-1.631945
R-squared	0.946202
Adjusted R-squared	0.930831
S.E. of regression	0.325015
Sum squared resid	0.739443
Log likelihood	-1.167171
F-statistic	61.55762
Prob(F-statistic)	0.000036

The degree of each possibility that occurs can be confirmed by the results of the corresponding analysis. Poverty is directly related to poverty level and shows the probability of each variable with variable x1 or the probability value of so-called economic growth of 0.0004, and the result shows the similarity with variable c, that is, poverty.

In his estimation that to find the probability of each variable shown, it can be seen that the probability value is 5% and it shows from the existing value that the magnitude of the probability value with a degree of freedom is 2.30600. So the first variable shows that the probability value still shows a greater value, which means that C affects x1 significantly.

In the next variable, it can be seen that the same result is shown that the existing probability value is greater than X2, which means it is still the same, that is, it still affects the available variables.

V. Conclusion

Economic growth means the development of economic activities that lead to an increase in the goods and services produced by society and an increase in the prosperity of society.

The field of employment is the field of business activity and is the institution where people work or have worked (BPS, 2016). According to Sumarsono (2009), the employment opportunities an economy can create depend on the growth and absorption capacity of each sector.

The factors that influence taking on a job are:

- 1) Possibility to replace other factors of production with labor.
- 2) Elasticity of demand for produced products.
- 3) Ratio of labor costs to all production costs.

- 4) Elasticity of supply of other complementary factors of production.

The definition of poverty by BPS is "poverty is the condition of a person who can eat less than 2100 calories per person per day." (Tibyan, 2010).

In the latest data, it is shown the probability has a significant effect because the result is below 5% or 0.05 that the final results show that the level of the economy and employment opportunities significantly affect poverty.

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