

ANALYSIS OF ECONOMIC AND LABOR GROWTH ON THE REDUCTION OF THE NUMBER OF POOR POPULATION IN JAMBI

Titin Agustin Nengsih¹, Risty Yulianti², Sashi Syalwa Kirana³, Almansyah⁴,
M.Nazori Majid⁵, Usdeldi⁶, Sri Rahma⁷, Agustina Mutia⁸

^{1,2,3,4,5,6,7,8}UIN Sultha Thaha Saifuddin Jambi

Jl. Muara Bulian No. KM. 16, Muaro Jambi, Jambi, Indonesia, 36361

nengsih@uinjambi.ac.id

ABSTRACT

This study examines the impact of labour force expansion and economic growth on the decline in the impoverished population in Jambi using data from 2019 to 2021. This research employed a quantitative methodology, meaning that numerical data were analysed using multiple linear regression statistics. To analyse the effects of labour force participation, economic growth, and the poor population variable, secondary data from the BPS (Central Statistics Agency) data was done. The findings of this research indicate that the labour force variable has a considerable impact on the impoverished population, however the economic growth variable has no positive or significant influence on this population.

Keywords: Economic Growth, Labor Force, Population

INTRODUCTION

Economic growth is an indicator of development success. However, the most important goal of any development project is to increase the consumption threshold, which can be achieved through economic growth and/or income redistribution. Economic collapse is a serious problem facing the global economy, and economic collapse is an important phenomenon that the world is currently experiencing (Berliani, 2021). This process of economic growth is called modern economic growth. Based on this, economic growth is described as a process of increasing capital output within a narrow range (Amdan & Sanjani, 2023).

Designated as "Modern Economic Growth". On the surface, economic growth is Described as a process that increases capital production within a narrow range. This Means that, in the short term, the decline in people's purchasing power is reflected in the Increase in labour force productivity, which in turn provides many alternative consumption Of goods and services. designated as "Modern Economic Growth". Based on this, economic growth is described as a process of increasing capital output within a narrow Economic growth and poverty is an important indicator to see the success of a country's development. This study aims to determine and analyse the two-way influence between economic growth and poverty in Indonesia: (1) The effect of unemployment, poverty, investments and economic growth. (2) The effect of investment, life expectancy, literacy, and length of education, and economic growth on poverty. This study uses panel data or pooled time-series cross-section using time series data from the years 2005-2009, and the cross-section is that there are 33 provinces in Indonesia. The method used is descriptive and econometric analysis using a model of simultaneous equations (Jonaidi, 2023). This means that, in the short term, the decline in people's purchasing power is reflected in the increase in labour force productivity, which in turn provides many alternative consumption of goods and services. Economic growth and poverty are important indicators to see the success of a nation's development. Every nation will work hard to achieve optimal economic growth and minimize it.

Economic growth and poverty are important indicators to see the success of a Nation's development (Dwi & Pasaribu, 2023). Every nation will work hard to achieve optimal economic growth and minimize it. Every country will try hard to achieve optimal economic growth and reduce poverty rates (Nengsih et al., 2023). Economic growth is an increase in national income or production in a country from year to year. To measure economic

growth in a country, it can be seen from the level of that country's gross domestic product (GDP) (Ainy et al., 2019).

The state of the economy is one measure of a country's progress. Currently, many countries are seeking to extend the period of their economic growth by utilizing methods such as increasing the availability of raw materials, technology and human resource (Sunusi et al., 2014). Economic growth is only concerned with aggregate output, especially aggregate output per capita. If economic growth is not stimulated, this will not happen in any country; However, economic growth is not the only way to achieve economic growth. Other aspects such as education, morality, work ethics, politics, security, and so on also influence in determining the success of economic development (Sunusi et al., 2021). Educational factors that influence economic growth apart from economic growth are population growth and population education. The forming population can drive economic growth, increasing population will expand trade, and expanding trade will increase the level of specialization in the economy. As a result of this specialization, the level of economic activity will increase. The combination of specialization and work experience among employees will accelerate the process of economic growth. This is because specialization will increase employee productivity and slow down technological progress, while employee complaints will result in unreliable service (Yunianto, 2021). Labor and labour force have different definitions. Workers are residents who are included in the category of the workforce who are employed and not unemployed (Susila & Pradhani, 2022). To determine the number of poor people in Indonesia, the concept of poor people used as a concept by the Central Statistics Agency is people whose average per capita expenditure per month is below poverty (Leonita & Sari, 2019). The problem of poverty is one of the fundamental principles that is the focus of attention of every nation. One important aspect to consider when developing a poverty strategy is the availability of reliable poverty data, which can be a useful tool for policymakers to focus on the living conditions of the poor (Pratiwi et al., 2020).

Based on table 1 the Central Statistics Agency (BPS) released data on data on Jambi's economic growth for the 2019-2021 period, there was a significant increase in economic growth in West Tanjung Jabung, namely 122.159 million. Meanwhile, the lowest economic growth occurred in the city of Sungai Penuh, namely 23.022 million. The causes include high levels of public consumption, low wages for production activities, and relatively high APBN borrowings.

Table 1. Percentage Growth ff Population, Workforce, and Poor People In Jambi

City	X ₁	X ₂	Y
Kerinci	31.610	38.274	752.227
Merangin	48.796	58.695	860.162
Sarolangun	46.115	42.868	897.089
Batanghari	51.665	38.747	882.695
Muaro Jambi	76.274	60.353	800.666
Tanjung Jabung timur	66.027	35.288	781.507
Tanjung jabung barat	122.159	53.884	773.643
Tebo	46.282	55.455	852.934
Kota Jambi	91.995	89.764	959.437
Kota sungai penuh	23.022	13.288	800.053
Bungo	55.290	35.305	826.459

Source: BPS In Numbers 2019-2021 (2024)

The number of people working in the Jambi city area is quite large: 89.764 million people. However, many of them are unable to maintain their current Level of economic prosperity because as their numbers increase, their working hours increase.

On the other hand, the highest labour force participation rate occurred in remote areas of Sungai Penuh, namely 13.288 million people. There are 959.437 million poor people in the city of Jambi, which is the lowest number ever recorded in this country. The number of poor people does not only refer to society who live in conditions of extreme heat, cold, and hunger. However, this figure also refers to the availability of wealth in the form of productive assets and everyday cash to meet or exceed daily needs. In contrast, the majority of poor people in Jambi experienced a decline in the Kerinci region which has a population of 752.227 million people. By reducing the number of poor people, the economy will improve.

Good poverty data can be used to assess government policies regarding poverty, Compare poverty over time and geography, and identify poverty targets to improve their conditions (Zurlinda et al., 2020). Economic growth is one measure of a country's success. Economic growth will be influenced by several factors, including labour, capital, and technological progress. Labor influences economic growth in terms of quantity (quantity) and quality (Sbm, 2020). To achieve full employment opportunities where the entire workforce can be utilized by the economy, economic growth of 13 – 17 percent per year is needed (Salim, 2023). Workplace stress and worker turnover are two factors that hurt economic growth. Several production-related factors influence the economic growth of a particular region. Production factors are all the materials needed to produce a particular good or service. One of the key factors in production is labour force participation. Additionally, let's talk about exports. Exports are an important factor in economic growth and are one of the country's fundamental instruments (Rahman et al., 2021).

LITERATURE REVIEW

Poverty and growth have a strong relationship that is interconnected with each Other. At the beginning of the development process, the poverty threshold continued to increase. Once the construction phase is over, the number of tool-poor residents will decrease compared to other artifacts; If the poverty level in an area increase, this will hurt the economy of that area (Padang & Murtala, 2020). Although economic growth is seen as an important factor in human well-being, economic growth does not always increase the average and median life expectancy of every human being. Based on this correlation, there are three areas most likely to be impacted: healthy and clear skin, the acquisition and retention of information, and increasing the rate of return of income to the family to support a higher standard of living (Ni'mah & Islami, 2023).

Economic growth is a crucial factor in the success of a country. If a country's economy grows rapidly, it can be observed that the country will also experience difficulties in the future. Different from other facilities and infrastructure. Furthermore, a good work environment will have an impact on employment patterns, so that a particular nation-state will be created (Nadya & Aimon, 2020). Endogenous growth theory explains that investments made in human and physical capital have a positive impact on long-term economic growth. The government's contribution to economic growth can be seen in changes in consumer behaviour or loans provided for public investment and tax revenues. This theory also states that the state of infrastructure, laws and regulations, political stability, government policy, democracy, and international trade are important factors that also influence economic growth (Ma'ruf, 2019).

Since the beginning of independence, Indonesia has paid more attention to creating social welfare. However, until now the welfare of society has become difficult to achieve, one of the biggest problems related to this welfare is the problem of poverty (Lisnawati Sopiah & Ria Haryatiningsih, 2023). In essence, the affirmation of the right to work and work on the one hand is an effort made by the government to reduce problems that occur in the employment sector in general (Kahfi, 2019). On the other hand, there is economic growth as an indicator of a country's progress and prosperity. In general terms, economic growth is an indicator that indicates the success of economic development. The amount of growth shows the progress of an economy as indicated by changes in national output (Hazmi, 2024).

A country's economic growth is defined as an increase in the capacity of the country concerned to provide variations in the production and economy of its population (Halim, 2020). According to Todaro (2000), economic growth refers to the ability of a country's resources within its country to provide various economic goods for its citizens. This capacity itself is determined by the existence of institutions and ideological attitudes toward various demands of the situation, as well as advances or adjustments to existing technology (Halim et al., 2022). Positive and significant economic growth can conclude that development in the area is very good (Fitri Wulandari et al., 2023). Economic growth is by the findings of Hasanuddin and Roy (2022) who stated that population size and capital investment influence economic growth (Falah & Syafri, 2023). According to Rantau (2018) income is also influenced by working hours because if the time devoted to work increases a lot, then the income earned will be more, and vice versa, if the time devoted to work is small, then the income earned will be less (Desanti & Ariusni, 2021). Economic growth is an increase in a country's long-term ability to produce various goods and services for its people (Amri et al., 2023).

METHODS

The research method used in this research is quantitative. Quantitative research Methods use data sets consisting of numerical values and statistical analysis. This method also challenges theory, develops factual information, highlights relationships between variables, provides statistical tables, and summarizes and explains results. The type of data used in this research is secondary data and the analysis used in this research is panel data regression analysis. Regression analysis can be interpreted as a statistical method to determine whether there is an influence between the independent variables and the dependent variable (Arisha & Nengsih, 2024). Secondary data refers to data that is available and has been previously processed with a focus on solving open problems at this time. The data used to create this research material comes from several publications published by the Central Statistics Agency (BPS). These publications cover the number of poor people. in Jambi in several years, the number of working age population, and the economic growth in the vulnerable years 2019-2021.

RESULTS

Table 2 shows the Coefficient Indicator. This is for reduces some of the model Limitations in presenting variations in the dependent variable. According to this research, the selected coefficients is 30.2% or 0.302. Which are interesting is the variable economic growth and labor, only has an effect amounting to 30.2 percent of the decline number of poor people.

Table 3 shows Namely, the Anova F-test produces a calculated F value of 3.164. From the data processing, the result was that the sig value was 0.097, meaning it was smaller than 0.05, meaning there was an influence of economic growth and labor together on the poor.

Table 4 shows that the economic downturn has not affected the number of poor People in Jambi Province. Based on the SPSS report, the significance level is Sig. < 0.05, or 0.05 < 0.222. The economic situation does not affect the number of dependents and The number of workers affected negative from the number of poor people. According to the statistical output, Sig. > 0.05, or 0.05 > 0.037, then it is significant. ROA continues to grow, decreasing the number of poor people.

Table 2. Model Summary

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	0.665	0.442	0.302	5.185.144.722

Source: Data Processed (2024)

Table 3. ANOVA

Model	Sum of Squares	df	Mean Square	F	Sig.
Regression	17010896376	2	8505448188	3,164	0,097
Residual	21508580631	8	2688572579		
Total	38519477008	10			

Source: Data Processed (2024)

Table 4. Uji-t Results

Model	Unstandardized Coefficients		Standardized Coefficients	t	Sig.
	B	Std. Error	Beta		
Constant	767893.961	44742.035		17.163	0
X ₁	-0.973	0.734	-0.442	-1.325	0.222
X ₂	2.646	1.058	0.835	2.502	0.037

Source: Data Processed (2024)

DISCUSSION

The test results show that the ROA variable influences the number of poor people in Jambi. Based on data on Jambi's economic growth for the 2019-2021 period, there was a significant increase in economic growth in West Tanjung Jabung, namely 122.159 million. Meanwhile, the lowest economic growth occurred in the city of Full River, namely 23.022 million. The causes include high levels of public consumption, low wages for production activities, and relatively high APBN loans. Apart from that, the number of people working in the Jambi city area is quite large, namely 89.764 million people. However, many of them are unable to maintain their current level of economic prosperity because as their numbers increase, their working hours increase. limited. On the other hand, the highest labor force participation rate occurred in remote areas of Sungai Banyak City, namely 13.288 million people.

There are 959.437 million poor people in the city of Jambi, which is the lowest number Ever recorded in this country. The number of poor people does not only refer to people living in conditions of extreme heat, cold, and hunger. However, this figure also refers to the availability of wealth in the form of productive assets and everyday cash to meet or exceed daily needs. In contrast, most poor people in Jambi experienced a decline in the Kerinci region which has a population of 752.227 million people. By reducing the number of poor people, the economy will improve.

CONCLUSION

Regression analysis results shows that correlated with the variables Economic growth, labour force participation, and household income. Furthermore, there is no effect between economic growth variables. and household welfare. Apart from that, There is a relationship between employment variables and the number of poor patients. At the same time, there is a negative impact on the income of poor people due to both economic and employment variables. The ability of financial and employment variables to explain poor variables can be explained by other variables in an analysis.

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