Analysis of the Effect of Poverty, Unemployment, and Population on Economic Growth in North Kalimantan 2015-2022

Irwandi[1*,] Regina[2], Ahsani Pramita[3], Nurul Muhliza[4] dan Eva Wilina[5]

[1,2,4,5] Fakultas Ekonomi dan Bisnis, Universitas Negeri Makassar
[3] Fakultas Ekonomi dan Bisnis Islam, Universitas Islam Negeri Alauddin Makassar

ABSTRACT

Economic growth is the process of a change in a country's economic condition continuously to a better condition over a certain period. This article will discuss the effect of poverty, unemployment and population on economic growth in North Kalimantan 2015-2022 based on published articles/journals. In addition, the purpose of writing this article is so that we can find out whether poverty, unemployment and population in North Kalimantan affect economic growth. The method used is a type of normative research that examines document studies, and uses secondary data. Secondary data is obtained through data on poverty, unemployment, population and economic growth for the period 2015-2022 in North Kalimantan. After multiple analysis of the results and discussion, it can be concluded that in this study there are several findings. Namely, the number of poor people in North Kalimantan in the 2015-2022 period has a negative or insignificant effect on economic growth and the unemployment rate has a significant or significant effect on economic growth and the total population has no or insignificant effect on economic growth in North Kalimantan Province in 2015-2022.

Keywords:
poverty, unemployment, population, economic growth

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* Corresponding Author at Department of Accounting, Faculty of Economics and Business, Universitas Negeri Makassar, Jl. Raya Pendidikan No. 1 Gunung Sari, Makassar 90221 South Sulawesi, Indonesia.
E-mail address: irwandi@unm.ac.id, regina@unm.ac.id, ahsani.paramita@uin-alauddin.ac.id, nurul.muhliza1@gmail.com, eva.wilina1@gmail.com.

1. Introduction

In the journal (Indayani & Hartono. 2020) economic growth is that state revenues will increase in aggregate and there will also be an increase in output in a certain period. The definition of economic growth itself is aimed at increasing the production capacity of services and goods with a certain period of time. Economic development is a method of changing conditions that often apply in a country, in a sustainable way that will lead to better conditions than before within a certain period of time.

The economy can be said to have changed if the production of services or goods can be higher than the previous year. Where, economic activity can prove the extent to which economic growth is able to realize an increase in income and welfare in a certain time. In developing countries such as Indonesia, safe or stable economic growth is needed for the survival of a prosperous society. It is said that economic growth is good if it can overcome problems in the economy such as poverty, unemployment, and can also improve welfare. Therefore, the existence of rapid economic growth in a country has a good effect on the agricultural sector and the industrial sector and so on. A country with a good economy, the community will be more helped by its economy, so that people will be more orderly in fulfilling their obligations to make public payments. With the increase in public payments can be allocated to pay for economic development. Thus, economic growth is the basic need of a country for the welfare of the population (A Asnidar, 2018).

Table 1. Economic Growth in Indonesia

Year	Economic Growth
2015	5,06%
2016	5,02%
2017	5,03%
2018	5,17%
2019	5,02%
2020	-2,07%
2021	3,69%
2022	5,31%

Source: Central Bureau of Statistics

According to Sukirno, economic development is an absolute economic development that needs to be carried out in a country to improve the level of people's lives and welfare can be done by developing the fields that exist in the country. In improving the welfare of the community, rapid economic growth and equitable income are needed so as to improve the welfare of the community. In neoclassical growth theory, economic development in a region can be estimated by the development of GRDP which relies on the factors of production, namely: labor, capital, and technology.

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One of the measures to determine success in economic development is to show the effect of a development policy. The growth of the economy is related to the process of increasing the production of goods and services in an economic activity in society. Djojohadikusomo (1994) argues in the journal (Angka, 2018) states that economic growth usually in the production process involves several types of products and uses the means / means of production.

2. Literature Review

Poverty

Ely Kusuma Retno, argues that poverty is a disease in the economy that is so difficult to eliminate. This poverty can result in a person not being able to meet the needs of his life. There are several factors that cause a person to become poor. Tadoro in Ely Kusuma's journal shows the relationship between poverty and backwardness in a number of economic and non-economic grounds. Three main foundations are at the root of underdevelopment and poverty in a community, these factors are low living standards, low self-confidence, and low work productivity, these three aspects have a reciprocal relationship. For example, low living standards can be caused by the amount of income, low income is caused by the level of work productivity, low work productivity is caused by the high growth rate of the labor force and will lead to high unemployment (Retno, 2011).

The problem of poverty is a serious one, especially in Indonesia where it needs to be reduced. The success and failure of economic development in a country or region can be known through an increase in the poverty rate. The results of an empirical study conducted by (Edwin S Mills, 1993) using a cross-country analysis method show that poverty in a country will decline if economic growth in the previous year is high and if GDP growth increases, the poverty rate will fall faster.

Moh. Arif Noviansyah states that poverty can not only be understood by the extent of economic inability, but also through a failure to fulfill basic rights and also from differences in behavior for one person or a number of people in facing an ideal life. These generally recognized fundamental rights to food, education, employment, health, natural resources, clean water, land, a peaceful environment free from threats of violence, and the right to participate in social and political life are essential in overcoming poverty. Poverty has a wide range of negative impacts, not only creating social problems, but also affecting the development of the country's economic growth. A high level of poverty can result in very high costs in the implementation of economic development, thus indirectly hampering economic progress (Novriansyah, 2009).

According to Aprilia Somba and colleagues, poverty occurs because there is no balance in the ownership of the means of production. Factors such as attitudes, the culture of life, and the particular environment within a society also contribute to poverty. In addition, poverty can be

seen as the inability of people in a certain government system, which results in them being in a bad position and vulnerable to exploitation (Angka, 2021).

In the journal (Indayani & Hartono, 2020) the government seems serious in its efforts to overcome poverty, as seen from the number of programs that are being run. There are several macroeconomic variables that cause the increase or decrease in the poverty rate in a region. The level of poverty is influenced by the average income in the area. The more income, the greater the possibility of budget allocations to overcome poverty. However, these allocations are not always appropriate and can exacerbate poverty.

Unemployment

Unemployment refers to a state in which individuals do not have a job, are looking for a job, or are trying to get a decent job. Usually, unemployment occurs when the number of people looking for work is not balanced with the number of jobs available so that it cannot absorb all of them. Unemployment is a serious issue in the economy because it can reduce people's productivity and income, which in turn leads to poverty and various other social problems.

According to Amalia in (Agung, 2015) Unemployment is a condition whose existence is inevitable, both in developing countries and even in developed countries. Unemployment has limitations that need to be considered because unemployment greatly affects the occurrence of various criminal vulnerability problems and social, political and poverty turmoil. The decline in the level of poverty and welfare in society is caused by unemployment. The unemployment rate can be used to see the health of the community. The impact of unemployment is not only felt by the unemployed themselves but also by the government, their families and the surrounding environment.

According to Muhdar in (Nabila Ulfa Rasyida, 2021), unemployment is a macroeconomic problem that has a direct effect on the survival of society. One of the decreases in living standards is job loss, besides that unemployment also has a negative impact on the economy.

According to Kuznets in the journal (Imanto et al., 2020) economic growth and poverty levels have a relationship, where in the early stages of a development will be recognized by increasing growth and increasing levels of income inequality and poverty. This situation will continue to occur until a certain low point, where the economic growth rate rises accompanied by lower levels of income inequality and poverty.

According to Arsyad in the journal (Imanto et al., 2020) the relationship between the unemployment rate and poverty, says there will be a very strong bond between rising unemployment rates and poverty. For the majority of people who do not have a permanent job or only work part-time, they will remain in the very poor section of society.

Economic Growth

Economic growth in (Anderu, 2021) is a general increase in the level of goods and services in the economy of a country during a certain period and time. This economic growth can be measured as a percentage increase in real gross domestic product (GDP), from inflation-adjusted gross domestic product (GDP). And GDP is the market value of final goods and services produced.

In the journal (Ajibola Akinyemi; Ogundana Oyebisi & Ekure Odot-Itoro, 2018) Economic growth is the overall increase in the level of goods and services to be produced by the economy in a country within a given period. The results of this study indicate that there is a positive relationship between unemployment and economic growth, challenging a priori theoretical expectations that the unemployment rate is negative to economic growth.

Makaringe & Khobai stated that economic growth is seen as an important tool that can be used to reduce unemployment and poverty and improve people's lives. Banda (2016) Makaringe et al, he pointed out that an increase in GDP growth is expected to increase employment, thereby reducing unemployment (Makaringe & Khobai, 2018).

Handson Banda et al. state that economic growth is seen as the most visible tool for reducing unemployment, poverty and destitution to improve people's living standards. Osinubi points out in Handson's Journal that during economic growth it is necessary to slow growth and poverty alleviation is not sufficient for growth, as growth alone cannot solve all the major factors that contribute to unemployment and poverty. Therefore, policies that address both poverty and unemployment are needed. That is, when poverty and unemployment fall, the country's economic growth accelerates (Banda and Choga, 2015).

Mourtalla Diakhoumpa reveals that economic growth is considered a macroeconomic aggregate that evaluates the economic health of a country. Growth can be defined as a quantitative increase in GDP that reflects the relative change in the volume of GDP in constant currency over two years. Sir (2014) in Mourtalla's journal states that the impact of economic growth on unemployment shows that GDP has a positive effect on unemployment although this has no effect on the unemployment rate (Diakhoumpa, 2020).

Population

According to Shadrina Rozaan Almira, in general, the population is everyone who is domiciled or resides in a state area and for a long time. Population shows a total of humans or residents who occupy an area within a certain period of time.

Population is an indicator and an important component in economic activity. According to Silastri in Umaruddin Usman's journal, residents are individuals who are domiciled in a geographical area of the Republic of Indonesia for six months or more and also those who are domiciled for less than six months but have the aim of settling down.

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3. Method, Data, and Analysis

This research is a type of normative research that examines document studies, and uses secondary data. Secondary data is obtained through data on poverty, unemployment, population and economic growth for the 2015-2022 period in North Kalimantan where the data is obtained from data originating from BPS (Central Bureau of Statistics) and in this writing reviewing articles/journals related to the material discussed in the writing. The analysis used is a qualitative analysis of the theoretical basis and adjusts the description of the factors that occur in the field.

The data that has been obtained is processed using the tabulation method, then described descriptively and performs multiple linear regression on the variables of poverty and unemployment and population which are thought to affect economic growth. The results of this data processing are analyzed and an overview is obtained of the relationship between poverty, unemployment, and population in North Kalimantan for the period 2015-2022 which is thought to affect the level of economic growth based on constant price GRDP in North Kalimantan.

4. Result and Discussion

Table 2. Data on poverty, unemployment, population and economic growth 2015-2022 in North Kalimantan Province.

Year	Gross Domestic Product at Constant Prices (Rp. Billion)	Poverty (%)	Unemployment (%)	Population
2015	49.316	6.32	5.65	641.936
2016	51.065	6.23	5.23	666.333
2017	54.537	7.22	5.54	691.058
2018	57.837	7.09	5.11	716.407
2019	61.835	6.63	4.49	742.245
2020	60.740	6.8	4.97	701.814
2021	63.160	7.36	4.58	713.622
2022	66.530	6.77	4.33	701.814

Source: Central Bureau of Statistics

The poverty table shows that the poverty rate in the table has increased and decreased, namely the poverty rate rose in 2021, which in 2021 is the highest poverty rate and the lowest poverty rate is in 2016. Another conclusion that can be obtained is that the actual poverty rate from 2021 to 2022 tends to decrease, namely when in 2021 the poverty percentage is at 7.36% and then in 2022 the poverty percentage is at 6.77%, so this poverty rate has decreased by 0.59%.

The unemployment table shows that the unemployment rate in the table has increased and decreased as well, namely the highest unemployment rate occurred in 2015, which was 5.56 and the lowest unemployment rate occurred in 2022, where the poverty rate was 4.33. Another conclusion that can be obtained is that the actual unemployment rate from 2020 to 2022 tends to

decrease, namely when in 2020 the unemployment rate is at 4.97 and then in 2022 it is at 4.33. so this unemployment rate has decreased by 0.64%.

The constant price GRDP table shows that GRDP at constant prices tends to increase but has experienced a decline. The highest constant price GRDP figure is in 2022, which is IDR 66,530 billion and the lowest constant price GRDP is in 2015, which is IDR 49,316 billion. This increase in constant price GRDP has also experienced a decline in 2020, which we know that 2020 is a year when all countries have experienced a decline in constant price GRDP, without exception Indonesia even in the province of North Kalimantan, the decline in constant price GRDP can occur due to the covid-19 pandemic that has hit the whole world, which is why in 2020 constant price GRDP has decreased. Another conclusion that can be obtained is that the GRDP at constant prices in North Kalimantan in 2021-2022 tends to increase. Namely, in 2021 the constant price GRDP was IDR 63,160 billion and then in 2022 it was IDR 66,530 billion, so this constant price GRDP figure increased by IDR 3,370 billion.

In the population table, the highest population of North Kalimantan Province was in 2019, which amounted to 742,245 and the lowest population of North Kalimantan Province was in 2015, which amounted to 641,936.

The following is the multiple linear regression analysis equation:

$$Y = a + b_1x_1 + b_2x_2 + b_3x_3 + e$$

Description:

Y = economic growth

a = constant

b_1 = regression coefficient of the poverty variable

b_2 = regression coefficient of unemployment variable
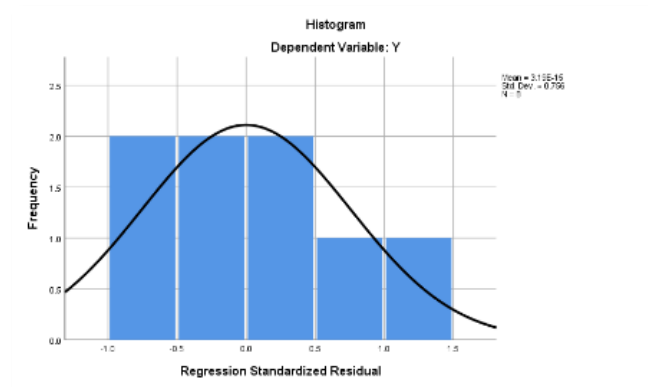
b_3 = regression coefficient of population variable

x_1 = poverty

x_2 = unemployment

x_3 = total population

Uji normalitas

Figure 1. Histogram of Normality Test

Based on the results above, it shows that the regression model in this study is normally distributed.

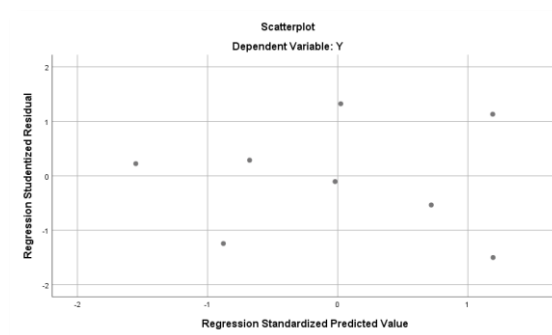**Multicollinearity test**

Table 3. Multicollinearity Test Results

Variables	VIF	Description
Poverty	1.578	No multicollinearity
Unemployment	2.359	No multicollinearity
Population	3.203	No multicollinearity

Source: results by data

Based on the results above, it shows that the regression model does not have multicollinearity symptoms because the variables of poverty, unemployment, and population have VIF values smaller than 10.

Heteroscedasticity test

Figure 2. Heteroscedasticity Test Results

According to Sunjoyo "There is no heteroscedasticity, if there is a certain pattern on the graph, such as gathering in the middle, narrowing then widening, or vice versa widening then narrowing.

Table 4. Autocorrelation Test Results

dL	dU	dW	4-dU	4-dL
0,367	2,287	3.130	4	3.633

Basis for Decision Making:

1. If dW < dL or dW > 4-dL then the null hypothesis is rejected, meaning there is Autocorrelation.
2. If dU < dW < 4-dU then the no hypothesis is accepted, meaning there is no Autocorrelation.
3. If dL < dW < dU or 4-dU < dW < 4-dL, it means there is no conclusion.

Based on the results above, it shows that the regression model does not have autocorrelation symptoms because it is based on decision-making No.2, namely if dU < dW < 4-dU then the null hypothesis is accepted, meaning there is no autocorrelation.

Result of multiple linear regression analysis

Table 5. Multiple Linear Regression Test Results

Variables	Coefficient	Std. Error	t- statistic	Sig.
C	85.758	34.544	2.483	.068
X1	4.830	2.346	2.059	.109
X2	-10.930	2.394	-4.565	.010
X3	-.009	.044	-.196	.854

From the results of the analysis of table 5 for variable X1 has a sig value. 0.065 which is smaller than 0.05, it is concluded that variable X1, namely poverty, does not have a significant effect on economic growth in the province of North Kaliman-tan in 2015-2022. And these results are in accordance with the results of research obtained by Aprilia Somba, et al. Which supports or gets the same results that the poverty variable has no effect on economic growth. This means that the higher the poverty rate in the province of North Kalimantan, the economic growth will decrease, high poverty will make the economic growth of a region decrease.

From the results of the analysis in table 5 for variable X2 has a sig value. 0.010 which is smaller than the value of 0.05, it can be concluded that variable X2 or unemployment has a significant effect on economic growth in the province of North Kalimantan in 2015-2022, which is in accordance with the results of research obtained by Aprilia Somba, et al. Which supports that the unemployment variable has a significant effect on economic growth. This means that the higher the unemployment rate in the province of North Kalimantan, the economic growth will experience significant changes. A high unemployment rate will have an impact on economic problems.

From the results of the analysis of table 5 for variable X3 has a sig value. 0.854 which is greater than 0.05, it can be concluded that variable X3 or population has no significant effect on economic

growth in the province of North Kalimantan. And this is in accordance with the results obtained by Budi prayitno which found the results that population has no significant effect on economic growth.

5. Conclusion and Suggestion

This study analyzes the effect of the percentage of poverty, unemployment, and population on economic growth in North Kalimantan for the period 2015-2022. This study has a contribution by taking into account poverty and unemployment and population to the equation in economic growth that occurred in the province of North Kalimantan in 2015-2022.

In this study there are several findings. Namely the percentage of poverty in North Kalimantan for the period 2015-2022 has no significant effect on economic growth in North Kalimantan and the percentage of unemployment has a significant effect on economic growth in North Kalimantan in 2015-2022. And for the total population has no significant effect on economic growth in the province of North Kalimantan in 2015-2022.

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