

Pengaruh Investasi, Pertumbuhan Ekonomi dan Tingkat Pendidikan Terhadap Kesempatan Kerja dan Kemiskinan Menurut Provinsi di Indonesia

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ABSTRAK

Tujuan penelitian ini adalah (1) untuk menganalisis pengaruh investasi, pertumbuhan ekonomi dan tingkat pendidikan terhadap kesempatan kerja menurut provinsi di Indonesia, (2) untuk menganalisis pengaruh investasi, pertumbuhan ekonomi, tingkat pendidikan dan kesempatan kerja terhadap kemiskinan menurut provinsi di Indonesia, (3) untuk menganalisis pengaruh tidak langsung investasi, pertumbuhan ekonomi dan tingkat pendidikan terhadap kemiskinan melalui kesempatan kerja menurut provinsi di Indonesia. Metode penelitian menggunakan rancangan penelitian kuantitatif dengan tingkat ekspansi asosiatif. Penelitian ini menggunakan data sekunder dari Badan Pusat Statistik, dengan jumlah pengamatan 170 titik. Teknik analisis data yang digunakan yaitu teknik deskriptif dan analisis jalur (*path analysis*) dengan penerapan model regresi linier berganda dengan bantuan program SPSS. Hasil penelitian menunjukkan bahwa (1) investasi, pertumbuhan ekonomi dan tingkat pendidikan memiliki pengaruh positif dan signifikan terhadap kesempatan kerja, (2) investasi memiliki pengaruh negatif dan signifikan terhadap kemiskinan, (3) pertumbuhan ekonomi, tingkat pendidikan dan kesempatan kerja tidak berpengaruh negatif terhadap kemiskinan, (4) kesempatan kerja sebagai variabel intervening pengaruh tidak langsung antara investasi, pertumbuhan ekonomi dan tingkat pendidikan terhadap kemiskinan.

Kata kunci: investasi, pertumbuhan ekonomi, tingkat pendidikan, kesempatan kerja dan kemiskinan

The Effect of Investment, Economic Growth and Education Level on Employment Opportunities and Poverty by Province in Indonesia

ABSTRACT

The aims of this study are (1) to analyze the effect of investment, economic growth and education level on employment opportunities by province in Indonesia, (2) to analyze the effect of investment, economic growth, education level and employment opportunity on poverty by province in Indonesia, (3) to analyze the indirect effect of investment, economic growth and education level on poverty through employment opportunities by province in Indonesia. The research method uses a quantitative research design with an associative expansion level. This study uses secondary data from the Central Statistics Agency, with a total of 170 observations. The data analysis techniques used are descriptive techniques and path analysis with the application of multiple linear regression models with the help of the SPSS program. The results showed that (1) investment, economic growth and education level had a positive and significant effect on employment opportunities, (2) investment had a negative and significant effect on poverty, (3) economic growth, education level and employment opportunities did not negatively affect poverty, (4) employment opportunities as an intervening variable indirect effect between investment, economic growth and education level on poverty.

Kata kunci: investment, economic growth, education level, employment opportunities, poverty

INTRODUCTION

Until the end of the 20th century, poverty was still a burden on the world. It seems that the issue of poverty will continue to be a problem that will not disappear in this world. The world responded by agreeing on a meeting in September 2000 which was attended by 189 countries by issuing a declaration known as The Millennium Development Goals (MDGs). One of the targets is to reduce the number of poor people by 50 percent by 2015. This statement shows that the problem is still a big problem in the world that must be tackled together.

The end of the MDGs era which succeeded in reducing the world's poor population by almost half. Furthermore, currently entering the era of SDGs (Sustainable Development Goals), which began with a meeting held on September 25-27 2015 at the headquarters of the United Nations (United Nations), New York, United States of America. The event was a ceremony to ratify the SDGs (Sustainable Development Goals) document which was attended by representatives from 193 countries. This ceremony is a continuation of the SDGs document

agreement that took place on August 2, 2015 which is also located in New York. At that time, 193 UN member states adopted by acclamation a document entitled "Transforming Our World: The 2030 Agenda for Sustainable Development" or "Transforming Our World: The 2030 Agenda for Sustainable Development". The SDGs document was also initiated to continue and strengthen the previous MDGs achievements so that they will last and continue in the future.

Poverty is still a problem for Indonesia that becomes a heavy burden, especially related to the issue of the widening gap between the rich and the poor. As a member of the United Nations, Indonesia is certainly committed to solving problems in line with the SDGs declaration. This means that Indonesia is also required to realize the targets set out in the UN declaration. The government's efforts to tackle poverty in an integrated manner have actually been carried out since 1995, namely with the issuance of the Presidential Instruction on Disadvantaged Villages (IDT).

The government through Presidential Regulation of the Republic of Indonesia number 15 of 2010 concerning the Acceleration of Poverty Reduction has formed the National Team for the

Acceleration of Poverty Reduction (TNP2K). This team is chaired directly by the Vice President. This national effort shows that poverty is still a serious problem. Even the central government has realized the distribution of the first phase of village funds to the village government, around 47 trillion. The village funds have been distributed by the Ministry of Finance (Kemenkeu). Once distributed, the Ministry of Villages, Development of Disadvantaged Regions, and Transmigration (Kemendesa PDTT) is tasked with overseeing the priority of using village funds to comply with the Ministerial Regulations that have been set. Based on the Regulation of the Minister of Villages, Development of Disadvantaged Regions, and Transmigration Number 21 of 2015 concerning Priority Determination of the Use of Village Funds, village funds in 2016 were used to finance the implementation of local village-scale programs and activities in the field of Village Development and Village Community Empowerment (Ishartono and Raharjo, 2016).

Poverty is an urgent national problem and requires systematic, integrated and comprehensive handling and approach steps, in order to reduce the burden and fulfill the basic rights of citizens properly

through inclusive, equitable and sustainable development to realize a dignified life. The gap between regions in Indonesia (between provinces, islands and regions) is not only seen from the value of economic growth but also the welfare of society or poverty in each region. Based on data released by the Central Statistics Agency, the percentage of poor people in Indonesia during the observation period tends to decrease. This condition is inversely proportional to the trend of economic growth which tends to increase. The decline in the percentage of poor people in most regions has an cumulative impact on the percentage of poor people nationally. The trickle-down effect theory explains that the progress made by a group of people will automatically trickle down to create jobs and various economic opportunities, which in turn will create various conditions for the creation of an even distribution of the results of economic growth. The theory implies that economic growth will be followed by a vertical flow from the rich to the poor that occurs automatically. The benefits of economic growth will be felt by the rich first, and then at a later stage the poor begin to benefit when the rich start spending the results of the economic growth they have received. Thus, the effect

of economic growth on reducing poverty is an indirect effect of the vertical flow from the rich to the poor (Soleh, 2014).

Supporters of this theory believe that governments in developing countries can influence economic growth and welfare by investing heavily in capital-intensive industries in urban centers. The growth center theory is also supported by the belief that free market forces complement the conditions for the trickle down effect and create a growth spread effect. economy from urban to rural. This view refers to the neoclassical economics view where development can start only in a few dynamic sectors, capable of providing a high ratio of output and in certain areas, which can have a broad and multiple impact on other sectors and the wider region. Neoclassical economists have the principle that market forces will ensure a balance in the spatial distribution of the economy and the trickle-down effect process will naturally occur when prosperity in urban areas is achieved and starts from a high level such as urban areas to lower areas such as hinterland and rural areas (Mercado et al. 2002) in Agusalim (2016)).

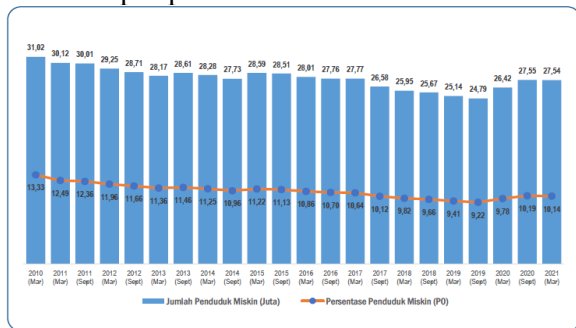
The paradigm of the center of economic growth was criticized by various parties

because in reality the trickle down effect did not materialize, the opposite happened, namely the trickle up effect. The distribution of the “welfare cake” is not from top to bottom, but regional wealth flows to the center. This is a form of practice result of neoclassical economic theory that gave birth to income inequality. This also means that poverty will be reduced on a very small scale if the poor receive only a small amount of the total benefits arising from economic growth. This condition can open up opportunities for an increase in poverty as a result of increasing income inequality caused by economic growth that favors the rich over the poor.

One important aspect to support poverty reduction strategies is the availability of accurate poverty data. When the data is available, the government can make decisions about what to do for the response. In addition, the available data can enable the government to compare poverty rates from year to year. In line with the presentation of data on the number and percentage of poor people, information that is no less important is the poverty profile. Information on the poverty profile is needed by policy makers to solve the problem of poverty. Thus, efforts to empower the poor can run efficiently,

effectively, and on target (Ferezagia, 2018). The Central Statistics Agency (2021) states that in general, in the period March 2010–March 2021, the poverty rate in Indonesia has decreased, both in terms of number and percentage, with the exception of September 2013, March 2015, March 2020, and September 2020. The increase in the number and the percentage of poor people in the period September 2013 and March 2015 was triggered by the increase in the price of basic goods as a result of the increase in the price of fuel oil. Meanwhile, the increase in the number and percentage of poor people in the period March 2020 and September 2020 was due to the Covid-19 pandemic that hit Indonesia.

Figure 1: Number and percentage of poor people March 2010–March 2021

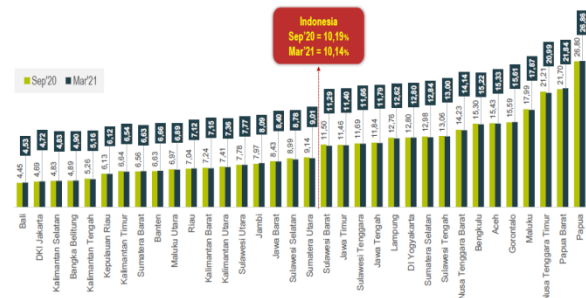


Source: Susenas (2021)

The number of poor people in Indonesia in March 2021 reached 27.54 million people. Compared to September 2020, the number of poor people decreased by 0.01 million people. Meanwhile, when compared to

March 2020, the number of poor people increased by 1.12 million people. The percentage of the poor population in March 2021 was recorded at 10.14 percent, a decrease of 0.05 percentage points from September 2020 and an increase of 0.36 percentage points from March 2020. Poverty is the main problem that is the focus of the government's attention in Indonesia. The impact of this poverty is that Indonesia is still a developing country and has hampered development in Indonesia (Islami and Anis, 2019).

Figure 2: Percentage of poor people by province, September 2020 and March 2021



Source: BPS (2021)

The problem of poverty is not just the number and percentage of poor people. Another dimension to consider is the depth and severity of poverty. The poverty depth index indicates the distance between the average expenditure of the poor from the poverty line. The poverty severity index indicates the disparity of expenditure

among the poor. The poverty depth index fell from 1.75 percent in September 2020 to 1.71 in March 2021. The poverty severity index also fell from 0.47 percent to 0.42 percent in the same period. This can be seen in the BPS report in September 2016 that the percentage of poor people in urban areas fell from 7.79 percent to 7.73 percent while in rural areas it fell from 14.11 percent to 13.96 percent. However, the number of poor people in urban areas increased by 0.15 million people. In addition, there are still provinces that have a poverty percentage above the national percentage. This indicates that there is still a high poverty rate that occurs at the provincial level in Indonesia (Zuhdiyaty and Kaluge, 2017).

In the first period of the administration of President Joko Widodo (2014-2019) has launched 16 economic policy packages. One of these policies aims to simplify the bureaucracy. The hope of this policy is to attract foreign investors to invest in Indonesia in droves. A healthy and supportive investment climate is one of the factors that attracts a country's investment. The sixteen policy packages that have been launched are expected to increase the value of Indonesia's investment and in turn have an effect on increasing economic growth. Investment is an important thing for the

state as one of the capital to carry out development. Indonesia as a large country has promising potential resources for foreign investors, but there are still some obstacles that discourage investors from investing their capital, such as the complicated bureaucracy in Indonesia. Investment provides support for economic growth. Previous studies have stated that investment can increase economic growth. Therefore, capital in the form of foreign investment and domestic investment is also expected to increase regional economic growth in Indonesia. Plus the launch of policies is predicted to increase economic growth even better (Murti and Sahara, 2019). This phenomenon is expected to increase the amount of investment so that the region can increase development and have the potential to advance the region.

From year to year, the government tries to issue investment policy packages that are able to attract investors through reducing company costs through taxation or other facilities (eg No.144/PMK.011/2012 and No.76/PMK.011/2012). Investment in a country can be sourced from domestic investment or foreign investment. Domestic Investment (PMDN) and Foreign Investment (PMA) that are right on target will both improve the nation's economy.

This investment can be in the form of direct investment in the form of purchasing assets or establishing a new business or indirect investment in the form of investment in the money market and capital market.

Based on the results of the analysis made by Hapsari and Prakoso (2016), it is proven that PMA is not able to increase regional economic growth because the Indonesian government prioritizes strategic sectors to be managed using PMDN. This is reinforced by the ability of PMDN in improving the provincial economy. There are still many studies that are still pro and contra, making this phenomenon still interesting to be tested especially by using more specific regional data, namely by province in Indonesia.

Realization of investment both PMA and PMDN in a province is inseparable from the efforts of the regional government in managing the APBD and how large the portion of government spending is spent as capital expenditure. Capital expenditure is an investment made by local governments that can be realized into infrastructure spending to advance the region. With a larger portion of capital expenditure, it is hoped that the construction of supporting facilities for the creation of business fields in the regions such as roads, electricity, water,

and other transportation routes. Road factors and electrification are important things to build in an area. With the road, there will be a better distribution of both goods and services. This is needed for an effort to facilitate the distribution of raw materials and production results. Electricity is no less important, especially for industries that need electricity to drive their production (Meliza and Simanjuntak, 2018). In 2016 it has removed 3,143 regional regulations that are considered problematic. A number of the canceled regulations include local regulations that hinder regional economic growth and lengthen bureaucratic paths. Then there are a number of regional regulations that hinder the licensing and investment process, regional regulations that hinder business convenience and regulations that contradict higher-level regulations. This regulation is considered to hamper national capacity and hinder Indonesia's speed in competing with other countries.

Economic growth is one of the important indicators that must be considered by each country globally. Where economic growth is becoming increasingly important to study, considering that every country will always try to increase the economic target as a measure of a country's success in the

long term. Not only that, a country that is able to maintain and even always increase economic growth is an achievement that certainly requires planning and vigilance in the implementation of economic activities. However, not all countries are able to achieve the desired economic growth. This situation occurs due to several factors, one of which is the inability of a country to meet its needs only domestically. This is what is then used as the basis for the importance of international economic cooperation to support each other in meeting the needs and especially increasing the economic growth of the parties concerned (Sari and Kaluge, 2017).

The problem of economic growth is the goal of every country, especially for developing countries. This is because economic growth is one of the indicators of success in implementing development and creating work agreements. There are ideals contained in the development process that can create a just and prosperous society. Faraha, et al. (2018). However, until now, the government's paradigm seems to still be oriented towards growth, even though the quality of Indonesia's economic growth has not been able to eradicate poverty and has actually widened the gap between the poor and the rich. This can be seen from the

development strategy used by the government, namely the triple track strategy. The triple track strategy prioritizes growth (pro growth) above employment and poverty (pro job and pro poor). This indicates that the government still believes in the effectiveness of economic growth as one of the variables that can reduce poverty (Kuswandiantoro, 2016).

Education plays a major role in shaping the ability of a developing country to absorb modern technology and to develop the capacity for sustainable growth and development. Petiana, et al. (2015). Improving the quality of the workforce in Indonesia can be achieved by increasing investment in human resources which ultimately aims to increase job opportunities, this can be reflected in the level of education. To catch up with the world of education, both in terms of quality and budget allocation for education compared to other countries, the 1945 Constitution mandates that education funds other than educator salaries and official education costs are allocated a minimum of 20 percent of the State Revenue and Expenditure Budget (APBN) in the education sector and a minimum of 20 percent of the State Revenue and Expenditure Budget (APBN) for the

education sector. 20 percent of the Regional Budget (APBD) Iskarno, et al. (2014).

Puspitasari, et al. (2019) states that the assumption of human capital theory is that formal education is the dominant factor to produce a high-productivity society. Human capital theory can be applied on condition that there are high-tech resources efficiently and human resources that can utilize existing technology. This theory believes that investment in education is an investment in increasing the productivity of society. Investment in education is absolutely necessary, so the government must be able to build a good education facility and system. The government's budget allocation for education is a tangible manifestation of investment to increase productivity. Development expenditures in the development sector can be allocated for the level of education to the entire population of Indonesia equally.

The number of Indonesian workers with elementary, junior high, and high school education is a fairly high number each year compared to the number of Indonesian workers with diploma, undergraduate and postgraduate educational backgrounds. This is beneficial for Indonesia, because it can reduce unemployment with a low level of education (Puspitasari and Kusreni,

2017). Based on BPS Susenas data, the number of the workforce working in Indonesia is less than 95 percent, this indicates that the workforce in Indonesia has not been absorbed optimally. The lack of absorption of the workforce in Indonesia can also occur due to social problems and underdevelopment as well as from the quality of the workforce itself in terms of skills and educational background (Lubis, 2014). The more the number of people working, the faster production results so that the output produced will also increase (Yunita and Sentosa, 2019). The factor of labor production in this case is the working population. The decline in the growth of the working population is thought to be caused by the availability of limited employment opportunities and the non-optimal absorption of labor in Indonesia. Job opportunities cannot be separated from the role of education which will improve and enhance the quality of the workforce, thus enabling the availability of a more skilled, reliable, and in accordance with the demands of national development. To improve the quality of the workforce, education is needed as one of the basic human capital to achieve sustainable economic development.

Saerang, et al. (2021) states that job opportunities are fields or job opportunities available in the community. Employment opportunities as jobs that have been occupied (use of labor). Employment opportunities are the number of people who work in a field of work or in other words equal to the number of people absorbed in various economic sectors. The government is trying to make programs in various ways that make it easier for the workforce to find work. The government labor agency is one that functions in providing job vacancy information. In addition there are also public training programs, which are tasked with channeling labor to companies and helping to reduce poverty levels. These programs are believed to make the economy run more efficiently by keeping the workforce working and reducing inequities in the ever-changing market economy Dornbusch, et al. (2004) in (Hodijah, 2017). To maintain balance at the level of full employment, it is necessary to spend in the form of investment to absorb the increase in output that occurs in accordance with population growth to keep per capita income from falling. The greater the national income, the greater the investment required (Fahrika, 2016).

Reviewing poverty in terms of the region provides a comprehensive framework for poverty reduction efforts. Poverty in regional development can be viewed not only as a target or output that must be eliminated but also as part of an analytical process that can guide the development goals of a region. Poverty is an absolute condition where a person or group of people in an area naturally, culturally or structurally does not have the ability to meet their basic needs according to certain values or norms that apply in society. From an economic perspective, poverty basically shows a gap between weak purchasing power and the desire to fulfill basic needs. This tends to coincide with the following situations: a) poverty reflects low aggregate demand so as to reduce incentives to develop production systems, b) poverty is associated with the use of a low labor capital ratio resulting in low labor productivity, and c) Poverty is related to the uneven condition of various natural and human resources (Nugroho and Dahuri, 2012: 180 in Pamuji, 2019). Economic problems, increasing poverty and narrowing job opportunities. Indonesia is a developing country, so there are still many people who are still below the poverty line. Various policies have been carried out by

the government and have succeeded in reducing the poverty rate, but it must be admitted that many people are classified as poor. Poverty handling must be distinguished between residents in urban areas and residents in rural areas (Suprijati and Damayanti, 2022).

RESEARCH METHOD

The design of this study uses quantitative methods in the form of associative with the form of a causal relationship. The location of this research is by province in Indonesia. The selection of this location took into account the data obtained in each province in Indonesia. Poverty by province in Indonesia as a percentage has decreased from year to year, but there are still gaps in poverty alleviation achievements by province. What is considered is the national average poverty, between western regions in Indonesia, such as; North Sumatra Province, South Sulawesi Province, West Java Province, Jambi Province, North Sulawesi Province, North Kalimantan Province, West Kalimantan Province, Riau Province, North Maluku Province, Banten Province, West Sumatra Province, East Kalimantan Province, Riau Islands Province, Province of Central Kalimantan, Bangka Belitung Province, South Kalimantan Province, DKI Jakarta Province,

Bali Province with eastern regions in Indonesia such as; West Sulawesi Province, East Java Province, Southeast Sulawesi Province, Central Java Province, Lampung Province, DI Yogyakarta Province, South Sumatra Province, Central Sulawesi Province, West Nusa Tenggara Province, Bengkulu Province, Aceh Province, Gorontalo Province, Maluku Province, Nusa Province East Southeast, West Papua Province and Papua Province.

The independent variables in this study are investment (X1), economic growth (X2) and education level (X3) by province in Indonesia. The intervening variable in this study is employment opportunity (Y1) by province in Indonesia. The dependent variable in this study is poverty (Y2) by province in Indonesia. The types of data according to their nature in this study are quantitative data such as investment, economic growth, education level by province in Indonesia, employment opportunities, and poverty data by province in Indonesia obtained from the Central Statistics Agency (BPS). This study uses secondary data obtained from BPS Indonesia. The method used in this data collection, namely by means of non-participant observation. The data analysis techniques used are descriptive techniques

and path analysis with the application of multiple linear regression models with the help of the SPSS program.

Descriptive statistics are used to provide an overview of the research object being sampled. The descriptive statistics of each variable can be seen in Table 1 as follows:

RESULTS AND DISCUSSION

Table 1. *Descriptive statistics*

	N	Minimum	Maximum	Mean	Std. Deviation
Poverty	170	3,47	28,54	10,9029	5,77595
Employment opportunity	170	,27	22,06	3,6595	5,18694
Investment	170	344,60	131036,00	21494,3465	27729,32417
Economic growth	170	-15,74	20,60	3,9344	3,74573
Level of education	170	6,48	11,17	8,8372	,86406
Valid N (listwise)	170				

Source: Primary data, 2022

To test the validity of a study used Pearson correlation analysis. At the 95 percent significance level or = 5 percent, the

statement is called valid if it has r count $>$ r table = 0.30. The results of testing the data can be seen in Table 2 as follows:

Table 2. Validity test result

No	Variable	Question item	Value of R count	Value of R table	Description
1	X ₁	X _{1.1}	0,709	0,30	Valid
		X _{1.2}	0,554	0,30	Valid
		X _{1.3}	0,702	0,30	Valid
		X _{1.4}	0,816	0,30	Valid
		X _{1.5}	0,636	0,30	Valid
2	X ₂	X _{2.1}	0,750	0,30	Valid
		X _{2.2}	0,774	0,30	Valid
		X _{2.3}	0,708	0,30	Valid
		X _{2.4}	0,534	0,30	Valid
		X _{2.5}	0,650	0,30	Valid
3	X ₃	X _{3.1}	0,766	0,30	Valid
		X _{3.2}	0,823	0,30	Valid
		X _{3.3}	0,654	0,30	Valid
		X _{3.4}	0,696	0,30	Valid
		X _{3.5}	0,651	0,30	Valid
4	Y ₁	Y ₁	0,530	0,30	Valid
		Y ₂	0,563	0,30	Valid
		Y ₃	0,563	0,30	Valid
		Y ₄	0,701	0,30	Valid
		Y ₅	0,391	0,30	Valid
5	Y ₂	Y ₁	0,453	0,30	Valid
		Y ₂	0,693	0,30	Valid

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Y ₃	0,620	0,30	Valid
Y ₄	0,705	0,30	Valid
Y ₅	0,649	0,30	Valid

Source: Primary data, 2022

Questionnaire reliability criteria are classified based on the value of Cronbach's alpha. The closer the reliability value is to 1 (one), the more reliable the instrument is. The results of the reliability test of this

research questionnaire are in the range of 0.600 < to 0.800 < and can be categorized as "strong". The results of reliability testing can be seen in Table 3 as follows:

Table 3. Reability test result

No.	Variable	Cronbach Alpha	Description
1.	X ₁	0,783	Reliable
2.	X ₂	0,694	Reliable
3.	X ₃	0,765	Reliable
4.	Y ₁	0,746	Reliable
5.	Y ₂	0,776	Reliable

Source: Primary data, 2022

In this test the selection of models, where the Chow test, Hausman test, and LM test are carried out as shown in Table 4.

Table 4. Panel data regression model selection results

Testing	Hyphotesis	Final decision
Uji chow	Common effect vs fixed effect	Common effect
Uji hausman	Random effectt vs fixed effect	Random effect
Uji LM	Common Effect vs Random Effect	Common effect

Source: Primary data, 2022

Based on the results of the chow test the selected model is the common effect. Based on the results of the Hausman test the selected model is a random effect. Based on

the results of the LM test the selected model is the common effect. The correct estimate for the panel data regression model is the common effect method.

Table 6. The direct, indirect effect, total investment, economic growth and education level on employment opportunities and poverty by province in Indonesia

Variable Relationship	Effect		Total
	Direct	Indirect through Y ₁	
X ₁ -Y ₁	0,147		0,147
X ₂ -Y ₁	0,425		0,425
X ₃ -Y ₁	0,173		0,173
X ₁ -Y ₂	-0,003	0,022	0,019

X_2-Y_2	0,352	0,066	0,418
X_3-Y_2	0,296	0,026	0,322
Y_1-Y_2	0,156		0,156

Source: Primary data, 2022

The results showed that based on the results of the partial test, the t count of the X1 variable was $1.377 < t$ table (2.353) with a significance value of $0.001 < (0.05)$. The data support the alternative hypothesis so that H0 is rejected and H1 is accepted. This means that X1 has an effect on Y1. This shows that investment has a positive and significant effect on job opportunities in Indonesia. This shows the role of the private sector both from outside and within the country in capital formation that is oriented towards increasing job opportunities. Facility investment in Indonesia must be able to continue to increase and have an impact on the formation of job opportunities. Investments that are prioritized are mainly in the agricultural sector, processing industry and service industry. Because this investment is mostly used for activities that use labor. Investment does not tend to be in the secondary sector, including the manufacturing sector and the construction or building sector, which use production factors in the form of machinery or are capital intensive. This increased use of capital-intensive production factors has resulted in no effect on investment on

employment opportunities in Indonesia (Rizki and Haryadi, 2021). Danawati, et al. (2016) stated that direct investment has a positive and significant effect on employment opportunities. This shows that there is a unidirectional relationship between investment and employment opportunities so that an increase in investment will increase employment opportunities.

The results showed that based on the results of the partial test, the t count of the X2 variable was $4.163 > t$ table (2.353) with a significance value of $0.000 < (0.05)$. The data support the alternative hypothesis so that H0 is rejected and H1 is accepted. This means that X2 has a positive effect on Y1. This shows that, Faraha, et al. (2018) states that economic growth has a positive and significant effect on employment opportunities. The results of this study provide evidence that an increase in economic growth results in a significant increase in job opportunities. Economic growth has a positive and significant effect on job opportunities. This means that if there is an increase in economic growth, it

will increase employment opportunities (Susanto et al, 2017).

The results of this study indicate that based on the results of the partial test, the large t count of the X3 variable is $1.596 < t \text{ table } (2.353)$ with a significance value of $0.003 < (0.05)$. The data support the alternative hypothesis so that H_0 is rejected and H_1 is accepted. This means that X3 has a positive effect on Y1. This means that the level of education has a positive and significant effect on job opportunities. The level of education is a factor that determines the increase or decrease in job opportunities. The low level of education will lead to low quality and quantity of production output, thus affecting low job opportunities. The results of this study indicate that the level of education has a significant effect on job opportunities. At the time the existing job opportunities increased, caused by the influence of the education level of the community.

The results showed that based on the results of the partial test, the t count of the X1 variable was $-0.030 < t \text{ table } (2.132)$ with a significance value of $0.003 < (0.05)$. The data support the alternative hypothesis so that H_0 is rejected and H_1 is accepted. This means that X1 has an effect on Y2. This shows that, Fadhillah et al. (2021) stated

that investment from the United States, the Netherlands, China and Japan had a negative and significant impact on Indonesia's poverty. The government is expected to improve the investment climate so that more US, Dutch, Chinese and Japanese companies invest. All regulations in both the central and local governments that hinder investment must be trimmed. The government has ratified the Omnibus Law in order to create a good investment climate in Indonesia, this Omnibus Law concept will combine rules related to business licensing in various ministries/agencies into one law that will be used as a new legal umbrella, this Omnibus Law concept should be beneficial for all parties, both from the labor side, the entrepreneur and the government. The projects that have been agreed with partner countries are expected to absorb the workforce of the Indonesian people, so that the Indonesian people can earn income, live prosperously and ultimately reduce poverty. The results showed that based on the results of the partial test, the t count of the variable X2 was $3,224 > t \text{ table } (2.132)$ with a significance value of $0.002 < (0.05)$. The data support the alternative hypothesis so that H_0 is rejected and H_1 is accepted. This means that X2 has an effect on Y2. This

shows that the results of the analysis of economic growth show that economic growth has a positive and significant effect on poverty. Economic growth has a positive effect on poverty levels. This means that if economic growth increases, the number of poverty levels will also increase. This is due to the lack of quality economic growth, the benefits of economic growth have not been evenly enjoyed by all levels of society and economic growth is not pro-poor. This condition is caused by uneven development results. Therefore, it is hoped that the government will not only focus on the growth of Gross Regional Domestic Product, but also pay more attention to its distribution so that it is evenly distributed in every class of society. Economic growth should be able to reduce poverty, namely its distribution evenly in every class of society. High economic growth should reduce the level of poverty, so it can be said that economic growth has not been able to reduce the level of poverty living below the poverty line (Arifin and Wijaya, 2016).

The results of this study indicate that based on the results of the partial test, the t count of the X3 variable is $2.798 > t \text{ table } (2.132)$ with a significance value of $0.004 < (0.05)$. The data support the alternative hypothesis so that H0 is rejected and H1 is accepted.

This means that X3 has an effect on Y2. This shows that the level of education has a positive influence on poverty in Indonesia. Agustina, et al. (2018) stated that the level of education has a positive and significant effect on poverty, where the level of education has not been able to reduce poverty. It is hoped that the community will further improve their abilities or certain work skills by participating in various existing education and trainings, so that they can compete in the labor market and be able to create more productive businesses that can create new jobs. Education has been shown to have a positive and significant effect on poverty levels. Education can play a direct role, namely through training the poor with the skills needed to increase productivity.

The results showed that, based on the results of the partial test, the t count of the Y1 variable was $1.367 < t \text{ table } (2.132)$ with a significance value of $0.002 < (0.05)$. The data support the alternative hypothesis so that H0 is rejected and H1 is accepted. This means that Y1 has an effect on Y2. This shows that employment opportunities have a positive and significant effect on poverty. Ariska, et al. (2021) stated that employment opportunities have a positive effect on poverty in Indonesia. Due to the low level

of job opportunities in Indonesia, limited employment opportunities are a problem for the people of Indonesia. Therefore, the community must be able to develop an entrepreneurial spirit so that they are no longer waiting for job opportunities but can create jobs so that they can meet the needs of life. For companies and agencies, it is hoped that policies can open up more job opportunities for workers so that they can produce output and can increase people's income and can reduce poverty in Indonesia.

It is known that the direct effect given by X1 to Y2 is -0.003. While the indirect effect of X1 through Y1 on Y2 is the multiplication between the beta value of X1 against Y1 with the beta value, namely: $0.147 \times 0.156 = 0.323$. Based on the results of these calculations, it is known that the value of the indirect effect is greater than the value of the direct influence. The results show that X1 through Y1 indirectly has an influence on Y2, this influence can be recognized because the direct effect of the X1 variable on Y1 and the direct effect on Y2 is significant. This shows that X1 through Y1 indirectly has an influence on Y2. Investment indirectly affects the number of poor people through the absorption of labor. This shows that investment is proven

to be able to absorb additional labor but the addition of labor is not able to reduce the number of poor people. As explained above, there are two reasons for this, firstly if the available employment requires high skills that the poor do not have, then of course they will not benefit from the available employment, so that the increase in employment cannot reduce the population. poor. The second possibility is that the number of workers is indeed increasing but the income received by workers is not able to raise their economic level above the poverty line (Purnomo and Kusreni, 2019). According to Hodijah (2017), the indirect causal effect is the result of the investment variable having an indirect effect on poverty through employment opportunities. Investment must be in favor of the public interest so that it can have an effect on reducing poverty.

It is known that the direct effect given by X2 to Y2 is 0.352. While the indirect effect of X2 through Y1 on Y2 is the multiplication between the beta value of X2 against Y1 with the beta value, namely: $0.425 \times 0.156 = 0.663$. Based on the results of these calculations, it is known that the value of the indirect effect is greater than the value of the direct influence. The results show that X2 through Y1 indirectly has an influence

on Y2, this influence can be recognized because the direct effect of the X2 variable on Y1 and the direct effect on Y2 is significant. This shows that X2 through Y1 indirectly has an influence on Y2. Economic growth has a positive and significant indirect effect on the percentage of poor people through employment. This is because the absorption of labor occurs more in the agricultural sector with low income levels and is not able to free workers from poverty. The agricultural sector, which absorbs a lot of labor, needs to be prioritized in planning and implementing development, especially in the framework of increasing and improving the exchange rate of farmers. The construction of irrigation networks, appropriate subsidies, and the application of a deferred system for selling agricultural products are some of the alternative strategies that can be taken. Processing industries that absorb a lot of labor need to be developed and receive special attention, especially those that process local raw materials, which are mostly provided by the agricultural sector. Economic growth in reducing poverty varies in various sectors, regions, and times. The economic growth of the service sector was found to reduce poverty more than the agricultural sector and the industrial sector.

The effectiveness of economic growth in various sectors in reducing poverty varies by region and this variation is related to the quality of human resources in each region (W and Masjkuri, 2018).

It is known that the direct effect given by X3 to Y2 is 0.296. While the indirect effect of X3 through Y1 on Y2 is the multiplication between the beta values of X3 against Y1 with a value of $0.173 \times 0.156 = 0.327$. Based on the results of these calculations, it is known that the value of the indirect effect is greater than the value of the direct influence. The results show that X3 through Y1 indirectly has an influence on Y2, this influence can be recognized because the direct effect of the X3 variable on Y1 and the direct effect on Y2 is significant. This shows that X3 through Y1 indirectly has an influence on Y2. According to Rizala (2015), the magnitude of the contribution of each level of education to poverty, allegedly varies. The higher the level of education, the higher the effect on poverty. Education can have an effect on reducing poverty through employment opportunities, so it is necessary to provide and expand employment opportunities to accommodate an educated workforce (skilled workforce) in order to reduce poverty. To identify the role of education level in poverty, an

employment opportunity level approach is used. The level of employment by education level is defined as the ratio of the population aged 15 years and over who are employed by education level to the total workforce. This indicator shows the population that has economic potential to produce tangible goods and services according to the level of education.

CONCLUSION

Testing the formulation of the problem, research objectives and hypotheses, the results are that the dependent variable has a direct and indirect effect, concluded as follows: Direct investment has a positive effect on employment opportunities by province in Indonesia. Economic growth has a direct positive effect on job opportunities by province in Indonesia. Education level has a direct positive effect on job opportunities by province in Indonesia. Direct investment has a negative effect on poverty by province in Indonesia. Economic growth has a direct positive effect on poverty by province in Indonesia. Education level has a direct positive effect on poverty by province in Indonesia. Employment opportunities have a direct positive effect on poverty by province in Indonesia. Investment indirectly affects

poverty through employment opportunities by province in Indonesia. Economic growth indirectly affects poverty through employment opportunities by province in Indonesia. The level of education indirectly affects poverty through employment opportunities by province in Indonesia.

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