

ANALYSIS OF FACTORS INFLUENCING THE UNEMPLOYMENT RATE ON POVERTY RATE IN INDONESIA

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ABSTRACT

Poverty is a multifaceted problem related to low incomes, illiteracy and poor health, gender inequality and precarious living conditions. Getting out of poverty cannot happen automatically. Apart from the problems of unemployment, education, health and others which are clearly closely related to the problem of poverty. Poverty is one of the problems faced by developing countries, including Indonesia. In Indonesia, poverty is a problem. The problem of unresolved poverty varies between provinces in Indonesia, but the focus is on the people. The poverty rate in Java is very high compared to other provinces in front of the island of Java. Even though each region has accessibility and facilities to meet the needs of life. Especially the province of Java. Where it is easy to get to government centers and vice versa. Regions from the center to Java compared to areas outside Java. This study looks at GDP, education (literacy), unemployment (TPT), poor life expectancy in Java Island 2005-2011.

Keywords: Poverty, Unemployment, Education, Health

INTRODUCTION

No country is without unemployment and the unemployment rate is one of the basic tools for measuring the labor productivity of any country's economy. The unemployment rate is also an indicator for foreign investors, which is the basis for assessing whether the country's economy is healthy or not, which can influence the decision to invest in the country, because low unemployment can mean economic stability that foreign investors are interested in investing in, and vice versa. . From the other side, Indonesia is a developing country with a large population, which means there are many jobs and provides good opportunities for the population to become unemployed if the number of jobs does not increase.

Annual population growth can cause changes in the age structure of the population so that the working age population continues to increase and the non-working age population (0-14) decreases and increases. The elderly population (>65) describes a decline in old age in this situation. If the dependency relationship continues, the economic impact on grow the population will decrease, namely a situation where there will be a dependency relationship with the lowest and most productive age.

RESEARCH METHOD

This quantitative research method is a way of obtaining information or solving a problem carefully and regularly, the data that has been collected is in the form of a series or collection. Therefore, the method of data collection can be considered as a way of collecting information during this research. The data collection method used was in the form of distributing questionnaires or a list of questions and tests or experiments aimed at determining the validity and reliability of the questionnaire. Questionnaires are a way of collecting data consisting of a list of questions presented to data sources (respondents), either directly or indirectly with data sources

RESULTS AND DISCUSSION

According to Sadono Sukirno (1994), unemployment is a condition where a person belonging to the occupational class wants to get a job, but has not succeeded in doing so. Unemployment is a space where people want to work but can't get a job. The emergence of unemployment in a country is caused by the fact that the number of jobs in an area may not be sufficient for the labor force, or the demand for jobs causes an imbalance in the supply of jobs. This causes an increase in the labor force that exceeds the number of job opportunities.

Unemployment or unemployed is a term for people who do not work at all, are looking for work, work less than two days a week or are trying to find a decent job. The cause of unemployment is usually the number of workers or job seekers who are not proportional to the number of jobs available. Poverty is a socio-economic condition of a person or group of people whose basic rights are not fulfilled to defend and develop a dignified life. Basic

needs which are the rights of a person or group of people include food needs, health needs, education needs, job needs, housing needs, clean water needs, land, natural resources. nature, the environment, a sense of security from treatment or threats of violence, and the right to participate in organizing social and political life.

Indonesia is one of the most densely populated countries in the world. According to official data from the 2020 Population Census released by the Central Bureau of Statistics (BPS), Indonesia has a population of 270.20 million. Indonesia's population growth is increasing or increasing every year. Such a situation will certainly cause various problems, one of which is the problem of poverty.

Inflation

Inflation is a process of increasing prevailing prices in an economy. While the inflation rate is a presentation of the increase in the prices of goods in a certain period of time. In Indonesia, inflation often occurs due to Cost Push Inflation or inflation that occurs due to production costs as a result of an increase in production raw materials. Effects of inflation Inflation has both positive and negative effects on countries and their people. We see this effect in many aspects of people's lives. The Keynesian theory states that inflation occurs because people have a demand that exceeds the amount of money available. The struggle for income between groups of people (as a whole) continues to create aggregate demand that is greater than the quantity of goods available, leading to an increase in overall prices. Price increases weaken the competitiveness of domestic products and increase the number of imported goods. Lack of competition for domestic goods weakens the demand for domestic products. Many companies are reducing production. Reducing production reduces the number of workers in their jobs.

Unemployment and inflation are still problems in many countries, including Indonesia. Bank Indonesia's Inflation Targeting Framework (ITF) will definitely affect the unemployment situation in Indonesia. The creation of a free trade area increases the density of relations, especially in the economic field. The negative relationship between unemployment and inflation has been a problem for a long time.

Education

Poverty is closely related to education, because education can provide the ability to develop through self-skills, so that the lower the level of education, the higher the poverty. The higher the education level, the lower the poverty rate. Everyone does not have skills, therefore this poverty is caused by the way of thinking of someone who sees this poverty as a symptom of life, which is actually caused by a short way of thinking, one's stupidity, so one cannot think that your skills can create works that can later produce money and get you out of poverty. "Poverty conditions can put people in a cycle of poverty, where education for the poor cannot improve the economy or encourage social mobility," said Ciro. A report published by UNESCO in 2005 explained that the quality of education is strongly influenced by several factors, such as the quality of teachers, environmental background, infrastructure and school area.

Therefore, these factors are a concern in research. Using descriptive and econometric analysis, this study used Indonesian Family Life Survey (IFLS) data from 1993 to 2014, with a sample of 2,000 individuals. The use of IFLS data in the past two years is for the social mobility of people with different income levels.

When talking about poverty as well as education, the two are interrelated. In Indonesia, the poverty rate is increasing every year due to one of the factors, namely low education. In addition, with the outbreak of this pandemic in Indonesia, the poverty rate and the percentage of children dropping out of school due to the pandemic have increased. The relationship between education has long been a central issue in many countries, both developed and developing countries. Even in developed countries, namely the United States, problems arise because of the large subsidies aimed at the poor (Carey, 2002). At the same time, the problem in Indonesia is inequality between the rich and the poor in education.

Investasi

An investment is an investment, usually long term, to acquire all assets or to buy stocks and other securities to generate income. Investment, investment or investment is an investment activity, either directly or

indirectly, with the hope that the owner of capital in the future will receive a portion of the profits from the results of the investment.

According to the Big Indonesian Dictionary, investment means investing money or capital in a business or project to make a profit. In general, investment can be interpreted as the application or use of time, money or energy to achieve an advantage / profit in the future. So investing is buying something that is expected to return at a higher price than the original.

The Relationship between Investment and Unemployment

Investment usually has a negative effect on unemployment. The amount of investment is usually inversely proportional to the number of unemployed. Because, if investment increases, it will definitely have an impact on employment growth. One of the roles of development investment is to reduce the number of unemployed as a result of foreign investment and domestic investment doing business in the territory of the Republic of Indonesia. Investment growth affects the country's production capacity growth. With the increase in production capacity, the demand for labor as a factor of production also increases. This increases the availability of jobs, which can lower the unemployment rate. Investment plays an important role in efforts to revive the Indonesian economy during the pandemic. With so many companies created, it creates more jobs. With the creation of jobs, it clearly supports the growth of consumer purchasing power and domestic consumption.

CONCLUSION

Based on the results of the analysis it can be concluded that the relationship is significant that unemployment affects the number of poor people. Addition occurs or the spatial dependence of the model, there is also spatial heterogeneity, so spatial regression modeling, which involves weighting the data based on the place or location of the identified area is more suitable to use. Economic growth has a significant impact on poverty and vice versa, it is recommended for the state to accelerate economic growth through increased investment, the agricultural sector (agriculture and agro-industry) in rural areas where the poor depend heavily on their lives. The government suggests accelerating economic growth in urban areas, prioritizing job creation in the informal sector where the poor usually do business.

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