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*Corresponding author: Aryati Arfah,
Faculty of Economic and Business,
Department of Development Studies,
Universitas Muslim Indonesia, Makassar,
Indonesia.

E-mail: aryati.arfah@umi.ac.id

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The Effect of Labor, Private Investment and Government Investment on Productivity in the Industrial Sector

Aryati Arfah^{1*}

¹ Faculty of Economic and Business, Department of Development Studies, Universitas Muslim Indonesia, Makassar, Indonesia. Email: aryati.arfah@umi.ac.id

Abstract: This research was conducted with the objectives is to determine the effect of labor, private investment, government investment on production in the industrial sector. Data collection was carried out at the Regional Financial Management Agency Office. The data used in this study is secondary data, namely data on the number of workers, private investment, and government investment. As well as data on the amount of production in the industrial sector within ten years is analyzed and processed by the multiple linear regression method, using the SPSS version 22 program. The results of this study indicate that: (1) labor has a positive and significant influence on production in the industrial sector; (2) private investment has a positive and significant impact on production in the industrial sector; (3) government investment has a positive and significant impact on production in the industrial sector. This shows that production activities in the industrial sector in Sidenreng Rappang Regency rely on labor, private investment, and government investment to continue to increase production capacity. Government investment is a variable that is rarely examined, especially related to production. The government is one of the parties that play an essential role in supporting economic activities in the region.

Keywords: Production, Private Investment, Government Investment, Labor

JEL Code: A10, A12, B20, B16

1. INTRODUCTION

Sidenreng Rappang Regency is one of the regencies in South Sulawesi Province, Indonesia. The district capital is located in Sidenreng. Sidenreng Rappang Regency has an area of 2,506, 19 Km² and a population of approximately 264,955 people. Sidenreng Rappang Regency is one of the rice-producing centers in South Sulawesi. This is mainly supported by a technical network capable of irrigating rice fields all year round. Although it is a district with advantages in producing rice, Sidenreng Rappang Regency has industrial potential that can be developed. The industries that generate in Sidenreng Rappang Regency include the food industry, clothing industry, chemical industry and building materials (KBB), metal and electronics industry (LE), and handicraft industry. Before going further on the industry, the definition of industry is a business unit that carries out economic activities, aims to produce goods and services, is located in a particular building or location, and has its administrative record regarding production and cost structure one or more people. in charge of the business (BPS, 2017). Industrial development in Sidenreng Rappang Regency still concentrates on small, medium-scale industries and the handicraft industry (Home Industry). The main target is still limited to inter-regional or inter-island market share. Empowerment of the industrial sector is enhanced through counseling, training of workers, and creating a conducive climate to stimulate investors to support the industrial sector in terms of marketing and capital. The industrial sector is one of the potential economic businesses to be developed, where this sector affects the economy and can move other development sectors (Chirumalla, 2021; Frederiksen, 2018). The development of the industrial sector as a business sector absorbs a large number of workers, especially Small Industrial Enterprises, which can impact the regional development process, where the leading industrial industry will develop



faster (Lee & Marvel, 2009; Stekelorum et al., 2020). The industries in this study are divided into five categories or business fields: the food industry, the clothing industry, the chemical and building materials industry (KBB), the metal and electronics industry (LE), and the handicraft industry. The survey results of the Industry and Trade Office of Sidenreng Rappang Regency related to the industry show that the number of companies in Sidenreng Rappang Regency in 2018 was 4,890 companies of workers absorbed by the industrial sector was 17,872 people. The investment value was Rp. 572 trillion, with the value of the resulting production. Around Rp. 3.351 Trillion. According to data from the Office of Industry and Trade 2019, an overview of the industrial business units in Sidenreng Rappang Regency shows that over the last five years. The increase in the number of industrial business units has continued to increase. The highest increase was in 2015, with a percentage growth of 9.11%. Which is 2014 as many as 4,211 business units to 4,595 business units in 2015. To achieve the overall production value, several factors are needed.

According to Borowczyk-Martins et al (2017), people need human labor, natural resources, capital in all its forms, and skills. All these elements are called factors of production. So all the features that support the effort to create value or increase the value of goods are referred to as factors of production. These production factors include 1) Land, what is meant land or land here is not just land to be planted or lived in, but also has all-natural resources. 2) Labor, in economics, what is meant by the term human labor. What is meant is not just labor, but more broadly, namely human resources. The term is broader in meaning than just labor. In terms of human resources or human resources includes not only physical energy or human physical energy but also mental abilities or non-physical abilities, educated not only personnel but also uneducated personnel. 3) Capital, the third factor of production is capital (capital), or the name for the third factor is authentic capital goods (tangible capital goods). These include all types of goods made to support the production of other goods and services, such as machinery, factories, roads, power plants, and all their equipment. 4) Entrepreneur, an entrepreneur organizes the other three factors of production to achieve the best results. He also bears the risk for every up and down of his business. This fourth factor of production is the most important among all factors of production because it is an intangible factor of production.

They were related to some of the factors of production above, which will be discussed in this study only 2 of the characteristics of production. Namely, labor and capital in this case investment, the investment referred to in this study is divided into private investment and government investment, where these two factors of production certainly have an influence on display in the industrial sector, namely the industrial sector Sidenreng Rappang Regency. According to Law no. 13/2003 Chapter, I Article 1 paragraph 2. The workforce can work to produce goods or services to meet their own needs and the community. The population of a country is divided into two groups, namely workers and non-workers. What is meant as labor here is specifically for workers in the industrial sector. According to data sourced from the Office of Industry and Trade 2019, the growth of the industrial sector workforce in Sidenreng Rappang Regency in 2014 - 2018 shows that for the last five years. The number of workers in the industrial sector in Sidenreng Rappang Regency has continuously increased the number of workers. Constantly during the previous five years, the highest growth occurred in 2015 with a percentage increase of 14.47%, where the last number of 14,311 people in 2014 increased by 2,071 people to 16,382 people in 2015.

According to Yamamoto et al (2019), the number of workers should be more maximize its productivity to support household income and ultimately have a positive impact on national development. Productivity can be interpreted by increasing quantity and quality. It can also mean working effectively and efficiently. Therefore, productivity, effectiveness and efficiency, and quality are very close in meaning. Effectively driven economic resources require organizational and technical skills, so they have a high level of use. That is, the results or outputs obtained are balanced with the inputs of processed economic sources. The next factor that plays an essential role in supporting production in the industrial sector is capital, which is an investment. Investment in this study is divided into two, namely private investment and government investment. According to (Sukirno, 2003), investment can be interpreted as investment spending or companies to buy goods – capital goods and production equipment to increase the ability to produce goods and services available in the economy. According to data from the Department of Industry and Trade in 2019. Regarding the value of a private investment

in the industrial sector in Sidenreng Rappang Regency in 2014–2018. It shows that an increase in the value of the investment in the industrial sector has occurred over the last five years, where over the previous five years there has been an increase, the highest point of this increase. Is from 185,369,908 billion rupiahs in 2014 to 539,427,655 billion rupiahs in 2015, where if calculated, the increase in investment value in that year is 354,057,747 billion rupiahs.

Long-term investments are grouped into two parts, namely: permanent investment and non-permanent investment. The permanent investment includes regional cooperation with third parties in business use/utilization of regional assets, regional capital participation in BUMD or other Business Entities, and other permanent investments owned by provincial governments to generate income or improve services to the community. Non-permanent assets include the purchase of bonds or long-term debt securities that are intended to be held until the maturity date, funds set aside by local governments in the context of community services/empowerment such as working capital assistance. Formation of revolving funds to community groups provision of funding facilities: Micro and medium enterprises. According to BPKD data, the following is an overview of government investment for five years from 2013–2017. Showing an increase and decrease in the value of local government investment over the last five years, short-term investment has increased every year. Unlike long-term investment, long-term investment shows weight fluctuating, where the decline occurred from 2015 then rose again in 2016 and 2017. It decreased again in 2018, but if calculated as a whole, the investment value of local governments over the last five years has continued to increase, except in 2015 where there was a decline in the total government investment in the previous year.

Talking about production, we will discuss a little about the show. According to (Afidchao et al., 2014), production is converting inputs into outputs so that the value of the goods increases or a process that can create added value. Inputs can consist of goods or services used in the production process, and Outputs are goods or services produced from a production process. So production does not have to mean the process of changing tangible goods into other goods, as is the case in a factory. But the transportation or delivery and storage of goods, hotel services, barbershop services, doctor services are also examples of the production process because they create added value. The person who performs this function is also known as the producer. The following is the production value data in the industrial sector of Sidenreng Rappang Regency. According to data from the Industry and Trade Office 2019, it shows the production value has an increasing trend from year to year for the last five years, as is the case with the previous two data. Namely, the data on the number of workers and the amount of investment in the industrial sector, the production value in the industrial sector also shows a point of increase. The highest was in 2015, where initially was 378,275,345 billion rupiahs in 2014, then increased to 2,307,649,145 trillion rupiahs in 2015 with the overall increase in production value from 2014 to 2015, which amounted to 1,929,373,800 trillion rupiahs. Inputs to a production process can consist of land, labor, capital, and materials. So inputs are goods or services that are used as inputs in a production process. Output is goods or services resulting from a production process. The output of a factory is generally in the form of goods, but there is an output that is not in the form of goods called a service. To limit the problems in this research. It is explained again that labor and investment will be studied and their influence on production in the industrial sector. According to the description above, it is known that labor and capital, in this case, investment, are then divided into two variables, namely private investment and government investment, which are indeed factors of production to determine the effect of these factors of production on the exhibition itself. Objectively, this study addresses the formulation of the problem as follows: Do labor, private investment, and government investment affect production.

2. Literature Reviews

Capital is all finance used to start the production process, from raw materials to employee salaries and others. Capital is one of the factors of production used in the production process. In the production process, there is no difference between own capital or loans. That is, each plays a direct role in the production process (Le, 2020). Capital accumulation occurs when some income is saved and reinvested to increase productivity and revenue. Capital is goods or money which together factors of

production, land, and labor produce new goods. The importance of the role of capital is that it can help generate productivity, increase the skills and abilities of workers, and increase productivity. Capital has a strong relationship with the success or failure of established production businesses. Capital can be divided as follows: fixed capital provides services for the production process in a relatively long period and is not affected by the amount of production. The current capital is capital that provides benefits only once in the production process. It can be in the form of raw materials and other needs to support the business. It can be stated in the classical sense, where capital means "products of production used for further production. According to (Todericiu & Stăniș, 2015), capital is all forms of wealth that can be used directly or indirectly in the production process to increase output. In the production business, what is meant by capital is land, buildings, tools. Another factor affecting the level of production is labor. This labor factor is also described as domestic workers and non-domestic workers. Workers are working residents who are looking for work and doing other activities such as school and taking care of the household. According to (Lopes de Sousa Jabbour et al., 2020; López-Cabarcos et al., 2020), in terms of expertise and education, the workforce is divided into three groups, namely: Unskilled workers, namely workers who have low education and do not have expertise in a field of work. Skilled workforce: workers with expertise and education or work experiences such as mechanics, carpenters, and television and radio maintenance specialists. Educated workers have higher education and are experts in specific fields such as doctors, accountants, economists, and engineers.

3. Research Method and Materials

The approach used in this research is a quantitative approach, where quantitative analysis produces findings that can be achieved using statistical procedures or other means of quantification. The quantitative course focuses on the symptoms that have specific characteristics in human life, which he calls variables. The type of data used in this study is secondary data in data time series from 2009 to 2018. The data includes labor data, private investment in the industrial sector and government investment, as well as output or production in the industrial sector in Sidenreng Rappang Regency, data sourced from the Central Statistics Agency, the Industry and Trade Office of Sidenreng Rappang Regency, and the Regional Financial Management Agency of Sidenreng Rappang Regency. The method used to analyze the data in this research is the descriptive quantitative method. The descriptive analysis describes labor conditions and investment in production in Sidenreng Rappang Regency, especially those in the industrial sector. Analysis of the data used is by using a linear regression approach. In this analysis there are several statistical tests used to analyze the data, including the coefficient of determination test, and the correlation test (t-test).

4. Results and Discussion

Based on the results of data collection obtained, it can be described the variables in this study, regarding the general condition of these variables, will also be used to conclude whether the independent variable affects the dependent variable. In contrast, the independent variable in this study is labor, private investment, and government investment. As for the dependent variable, namely production, the following is an overview of these variables. Production is a process of converting inputs into outputs so that the value of the goods increases or a process that can create added value (Mundra & Mishra, 2021). For the production process to run, it is necessary to have production factors, where there are four factors of production, namely Land, Labor, Capital or investment, and Entrepreneurship. And increase or encourage economic growth by contributing to the GDP of Sidenreng Rappang Regency, while the data regarding the description of the production value of the industrial sector in Sidenreng Rappang Regency are as follows table 1. Workers carry out work activities intending to obtain or help earn income or profits for at least one hour in the past week, one hour consecutively and uninterruptedly. (BPS. 2019). There is another opinion regarding the workforce, namely, according to Deng et al (2019), explaining that the force is everyone who does work to produce services or goods to meet the needs of the community. What is meant by doing work here are residents aged 15 years or more who have been or are currently working, looking for a job, and doing work. Labor

and production cannot be separated because delivery takes a functional role in the production process, namely acting as a factor of production. On the other hand, it acts as a consumer who receives income from the production process. The labor relationship is further explained through its effect, which describes a situation if job opportunities are not created, which will cause people's purchasing power to decrease, which will then reduce the production process. The data regarding the development of labor in the industrial sector in Sidenreng Rappang Regency in 2010-2019 are as follows table 1. Private investment is all types of capital in the form of money or various equipment used by industry in the production process to run the production process. Another definition of investment is generally expressed by several other researchers. one of which explains that investment is a form of sacrificing wealth in the present to get profits in the future with a certain level of risk. In general, in economic theory, investment means the purchase of production goods from the capital (Deng et al., 2019; Kang et al., 2021). Additional investment is shown to increase the number of products produced because investment itself is capital used to buy inputs used in the production process such as physical resources, equipment and to increase the number of workers who will receive wages in the form of money. In this study, investment is divided into two, namely private investment and government investment, while data on the development of personal investment value in 2009-2018 displayed in table 1.

Table 1: Development of Industrial Sector Production Value

Years	Industrial Sector Production Value (Rp.000)
2010	32.123.993
2011	42.801.622
2012	47.088.952
2013	47.183.169
2014	76.941.277
2015	378.275.345
2016	2.307.649.145
2017	2.485.837.133
2018	3.083.439.053
2019	3.351.940.046
Years	Number of Manpower in the Industrial Sector (Persons)
2010	11.876
2011	12.716
2012	12.790
2013	12.811
2014	13.018
2015	14.311
2016	16.382
2017	17.527
2018	17.609
2019	17.872
2010	11.876
Years	Total Private Investment Value (Rp.000)
2010	15.997.280
2011	17.990.955
2012	18.321.104
2013	18.822.987
2014	35.325.692
2015	185.369.908
2016	539.427.655
2017	567.850.468
2018	571.554.898
2019	572.745.077

As explained earlier, investment is a form of sacrifice in the present to gain future profits with a certain level of risk. In economic theory, investment means buying production goods from capital

(Nguyen, 2020; Wu & Hsu, 2012). In her research, Gunasinghe et al (2020) explains that there are two types of investment based on the source, namely government investment and private investment. Economic, social, or other benefits within a certain period. It is explained in Government Regulation No. 58/2005 concerning regional financial management, which regulates local government investment, namely Articles 166-199. Explain that local government investment is divided into two, namely short-term investment and long-term investment. Short-term investments include time deposits with maturities of 3 to 12 months or those that can be extended automatically, such as purchases of short-term SUN and SBI. Long-term investments are grouped into two parts, namely: permanent investment and non-permanent investment. The permanent investment includes regional cooperation with third parties in the form of utilization/utilization of regional assets, regional capital participation in BUMD or other Business Entities, and other permanent investments owned by provincial governments to generate income or improve services to the community. Non-permanent assets include the purchase of bonds or long-term debt securities that are intended to be held until the maturity date. Funds set aside by local governments in community services/empowerment include working capital assistance, forming revolving funds to community groups, and providing funding facilities to community groups: micro and medium enterprises. This investment issued by the government aims to support economic activities in the industrial sector and trade sector. As explained above, this form of investment is given to industrial players and micro and medium enterprises in interest-free loans. For or with the aim of none other than to increase production, while the description of the development of government investment over ten years from 2010-2019 is as follows:

Table 2: Investment Development of Sidenreng Rappang Regency Regional Government

Years	Government Investment Value (Rp.000)		Total
	Short-term	Long-term	
2010	5.416.491	21.055.590	26.472.082
2011	8.691.747	27.999.089	36.690.837
2012	7.494.328	42.392.820	49.887.149
2013	8.201.406	40.926.765	49.128.172
2014	7.302.710	39.371.800	46.674.511
2015	10.732.358	33.455.536	44.187.895
2016	10.901.543	32.497.573	43.399.117
2017	28.434.009	32.214.182	62.648.191
2018	39.527.375	34.777.973	74.305.348
2019	55.681.716	32.697.797	88.379.513

The following are the results of the normality test based on the Kolmogorov-Smirnov Z. test and the Normal Probability Plot test which can be seen from the table 3:

Table 3: Normality Test Results
One-Sample Kolmogorov-Smirnov Test

		Unstandardized Residual
N		10
Normal Parameters ^{a,b}	Mean	,0000000
	Std. Deviation	,04538141
	Absolute	,145
Most Extreme Differences	Positive	,145
	Negative	-,144
Kolmogorov-Smirnov Z		,457
Asymp. Sig. (2-tailed)		,985

a. Test distribution is normal

b. Calculated from data

Based on the Kolmogorov-Smirnov values in the table 5 The One-Sample Kolmogorov-Smirnov Test is 0.985. This shows that this model has a Kolmogorov-Smirnov value that is greater than the

significance level (0.05), so it can be concluded that the data has met the normality test, which is normally distributed. In addition, based on the results of the Normal Probability Plot test by looking at Figure 2, it shows that the points or data are near or following the diagonal line so that it can be concluded that the model has met the normality test, namely the data is normally distributed. Hypothesis testing is a test carried out to see whether there is an influence between variables and to prove the hypothesis that has been set previously. This test was performed using multiple regression analysis with the help of SPSS. This test is conducted to see how far the ability of the independent variable can explain the dependent variable. The following are the results of the Coefficient of Determination (R^2) test, which can be seen from the table 4. Based on these results, it can be seen that the coefficient of determination expressed by R-Square is 0.897 or 89.7%. This means that the production variable is 89.7% influenced by labor variables, private investment and government investment, while the remaining 10.3% is influenced by other variables not examined in this study.

Table 4: Simultaneous Test Results (F)

Model		R	R Square	Adjusted R Square	Std. Error of the Estimate	
1		,899 ^a	,897	,896	,0555807	
Model		Sum of Squares	Df	Mean Square	F	Sig.
	Regression	6,967	3	2,322	751,743	,000 ^b
1	Residual	,019	6	,00		
	Total	6,985	9			
Model		Unstandardized Coefficients		Standardized Coefficients	t	Sig.
	(Constant)	-20,237	3,962		-5,108	,002
	X1	6,955	1,804	,551	3,856	,008
1	X2	,606	,141	,501	4,308	,005
	X3	,364	,279	,062	2,503	,040

Based on these results, it can be seen that the F-calculated value is 751.743 or more excellent than the F-estimated value. Which is 4.76 and has a significant value of 0.000 or less than 0.05, so it can be concluded that the variables Labor, private investment, and government investment simultaneously have a significant effect on the production variable. Based on the results obtained from the regression coefficients on the partial test results, a regression equation can be formed with the estimated model as follows:

$$Y = -20,237 + 6,955X_1 + 0,606X_2 + 0,364X_3$$

The constant value of -20.237 means that if the value of the independent variable, namely labor, private investment, and government investment, is equal to 0, then the production value is Rp. -20,237. Thus, if this value becomes a decision, then the conclusion that must be taken in terms of production is not to increase or increase labor, private investment, or government investment because the value obtained is a decrease, a reduction, or in the case of units, which is negative. Based on these results, it can be seen that the labor variable has a regression coefficient value of 6.955, which is positive (+) which means that the labor variable has a positive influence on production. This also means that every increase in the number of workers (X_1) by one person will increase the value of production (Y) as much as Rp. 6,955. Thus seeing that the value obtained is positive, which also means that the increase in labor will increase the amount of production, and the decision that can be taken is to increase the number of workers. The labor variable also has the t-calculated value of 3.856, which is greater than the t-estimated (2,36462) and a significance value of 0.008 or less than 0.05, which indicates that the labor variable has a significant effect on production, which means that the impact of labor work towards the natural and meaningful output. This means that:

H1: Labor Has a Positive and Significant Influence on Production the result of this study is accepted.

The purpose of this positive and significant influence shows that the workforce affects production in the sector significantly and meaningfully. The impact is accompanied by a positive word which means that an increase will follow the rise in the value of the labor variable in the value of the production variable, which if you want to decide to increase or decrease the number of workers, the results of this partial test become a favorable consideration. Furthermore, it can also be seen that the private investment variable has a regression coefficient value of 0.606, which is positive (+) which means that the private investment variable has a positive influence on production. Which also states that every increase in private investment (X_2) of Rp.1 will increase the production value (Y) of Rp.0.606. Looking at this value when the industry wants to decide to increase or decrease the value of their investment. By seeing that there will be an increase that can be achieved by increasing the amount of investment, then, of course, increasing investment is a decision that can be made. In addition, the private investment variable has t-calculated value of 4.308 or greater than the t-estimated (2.36462) and a significance value of 0.005 or less than 0.05. This indicates that the private investment variable has a significant effect on production. The private investment variable had a significant impact on the production variable. This means that:

H2: Private Investment Has a Positive and Significant Effect on Production, the result of this study is accepted.

From the positive and significant influence statement given by the partial test results for the private investment variable, it shows that the private investment variable has a real and significant effect on the production variable and a positive influence, which indicates that with the increase in the value of the private investment, the production value will also increase, of course, this statement is beneficial when the industry wants to make decisions in terms of investment. Based on these results, it can also be seen that the government investment variable has a regression coefficient value of 0.364, which is positive (+). This means that the government investment variable has a positive influence on production and explains that every increase in government investment (X_3) of Rp. Increase the production value (Y) by Rp.0.364. This value can be taken into consideration for decision-making by the government to continue or stop assisting to increase production capacity to business actors, including industrial business owners, which we call government investment. The government investment variable also shows the t-calculated value of 2.503 or greater than the t-estimated (2.36462) and a significance value of 0.040, more diminutive than 0.05. These results indicate that the government investment variable has a significant effect on production, which means that the product given by the government investment variable on the production variable is real and meaningful. This means that:

H3: Government Investment Has a Positive and Significant Effect on Production, the result of this study is accepted.

The positive and significant influence gives a sense that government investment significantly affects production in the industrial sector. This influence also means that with the increase in government investment, the production value will also increase. Of course, this information will be beneficial if the local government wants to make related decisions. Increase or decrease the government investment.

4.1. Discussion

If the production factors are added continuously, the total production will increase, and labor is meant here. Seeing that work has a positive and significant effect shows that labor's role in increasing production is vital. The critical part of the workforce is also reflected in that most industries in Sidenreng Rappang Regency have not entirely relied on technology and machinery in production activities, which means that the sector in Sidenreng Rappang Regency relies heavily on labor to carry out the production process. This also proves the truth of the theory expressed by Akhmad (2014) that production activities are closely related to production factors, namely land, labor, capital, and entrepreneurship because production activities cannot be carried out without production factors or are commonly referred to as inputs. This is labor, where labor is an essential factor of production and cannot be separated from production activities to create an output. By looking at the actual conditions



at the research site, in Sidenreng Rappang Regency, most industries are still categorized as a medium, small, and handicraft industries. Where these industries use more labor than technology in their production activities, industries with the use of labor in This large number is usually called labor-intensive industry, in Sidenreng Rappang Regency the use of labor is very dominant by looking at the type of industrial business operating in Sidenreng Rappang, examples of these industries include the grain stripping industry, brown sugar industry, stone industry brick, and wood furniture industry, and these are just a few examples of industries in Sidenreng Rappang Regency. The use of a relatively large number of workers in an industry will have a positive impact, namely more significant employment. Which will reduce the unemployment rate, based on the standardized coefficient results obtained from the partial test results showing a value of 0.551 for the labor variable, which means that It is the workforce who has the most outstanding contribution or influence on production, as evidenced by the fact that in Sidenreng Rappang Regency the use of labor is still very dominant in the industrial sector so that it can be said that the industry in Sidenreng Rappang Regency is mostly a labor-intensive industry. Investment is a production factor that is indispensable in production activities, primarily to support increasing production capacity. This is explained by Joe et al (2009) which states that investment is the mobilization of resources to create or increase production capacity/income in the future, (Sarsour & Sabri, 2020) also explain that investment is a form of sacrificing wealth in the present to get profits in the future, with a certain level of risk. All of the statements above prove that with a great possibility, increasing the amount of investment can increase the amount of production as well, because investment acts as capital, or various costs incurred to buy equipment, raw materials, pay labor wages, and so on to increase production results, by Thus, this also confirms the production theory. (Yu et al., 2020) which states that labor, land, capital, and entrepreneurship are production factors that cannot be separated for the implementation of production activities. This is different from the results of this study, which states that labor affects production. Still, the results of this study also explain that investment has a positive and significant effect on exhibition in the industrial sector in Sidenreng Rappang Regency. However, the direction of the impact of investment in this study is more on adding raw materials to increase production capacity and increase the number of workers. Looking at several types of industries in Sidenreng Rappang Regency, most of them are still labor-intensive industries that are more dominant in using labor. Thus the value of private investment used annually by industry – Industry in Sidenreng Rappang Regency is to increase the number of workers and raw materials, not the addition of production equipment which can reduce the use of labor, of course, the positive impact of this is the absorption of labor which will continue to increase along with the increase in business units, and production.

Investment has a significant influence on production in the plantation sub-sector. This type of investment is divided into two, namely PMDN and PMA, where PMDN shows a considerable value. Also, PMDN shows a positive relationship to production, which means that every increase in the amount of investment, in this case, is PMDN. This will be followed by the rise in the number of production. This shows that production activities in Sidenreng Rappang Regency, especially in the industrial sector, require the role and support of the government. With the support from the government, in the form of government investment, the industrial sector can encourage the number of products produced. This relationship is explained in theory expressed by Tohmo (2018) that production activities cannot be separated from production factors which include, among others, labor, land, capital, and entrepreneurship, and the usefulness of government investment is also explained by Y. Wu et al (2020) that investment the government can influence the level of output or production, where the influence depends on the effect of the budget on private sector activities. In this study, government investment is capital issued in revolving funds to help support economic activities. This result also follows the general description of the function of investment described by Roşoiu (2015) stating that investment is the mobilization of resources to create or increase production capacity/income in the future.

5. Conclusion

In this study, the intended government investment is assistance provided to industrial owners and micro, small and medium enterprises whose purpose is to support economic activities involving production, following research findings that investment has a positive and significant effect on exhibition in the industrial sector acquisition. The government continues to be programmed in the APBD every year, which means that, of course, this government investment can be helpful to and encourage economic activity, including production activities in the industrial sector. This government investment continues to increase every year even though it has decreased in specific years. Based on the results of the description above, the conclusions in this study are: Manpower, private investment, and government investment partially have a positive and significant effect on production in the industrial sector in Sidenreng Rappang Regency. This means that the increase in the number of workers, private investment, and government investment will be accompanied by an increase in output or production. In the industrial sector in Sidenreng Rappang Regency. Simultaneously, the variables of labor, private investment, and government investment affect production in the industrial sector in Sidenreng Rappang Regency, 89.7% of production is influenced by labor, private investment, and government investment, and 10.3% is influenced by other variables not examined in this study. The positive and significant influence of the three independent variables can be explained by the Sidenreng Rappang Regency. The industry is mostly a labor-intensive industry, where capital or investment is used to increase labor, raw materials, maintenance of production equipment, and advanced production is supported by the number of workers and private investment. In this case, wages, purchase of raw materials, other operational costs, and government investment are supportive in terms of capital and the provision of entrepreneurship training programs.

The differences found by researchers with previous studies are explained mainly by the conditions at the research location and how the focus is on the use of production factors. Based on the results of the research and the conclusions above, several suggestions can be given in this study, namely: By seeing that the workforce positively influences production in the industrial sector, it is necessary to increase the quality of human resources, especially in the industrial sector, to help absorb more workers. It is also required to conduct counseling with the theme of entrepreneurship to increase the potential for increasing industrial business units. To increase the absorption of labor, which will encourage the addition of production value and absorb more labor. Private investment and government investment show a positive and significant effect on production in the industrial sector in Sidenreng Rappang Regency. This means that it is highly recommended to continue to increase private investment to increase production output and government support in the form of government investment, of course. It will significantly help increase yields. Production, so it is recommended to the local government of Sidenreng Rappang Regency to continue to provide this assistance to the community in the industrial sector and all industries to increase economic growth in Sidenreng Rappang Regency. Government investment is a variable that is rarely examined, especially related to production. The government is one of the parties that play an essential role in supporting economic activities in the region. Thus, various assistance and development expenditures carried out by local governments are none other than improving the area's economy. Researchers suggest to readers and future researchers to do more research on the effect of government investment on production.

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