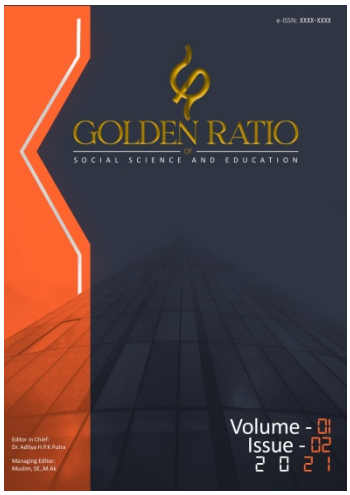
https://doi.org/10.52970/grsse.v1i2.84

Website: https://goldenratio.id/index.php/grsse/index

OPEN ACCESS

ISSN [Online] 27975827



Received: June 19, 2021
Revised: July 18, 2021
Accepted: August 21, 2021

*Corresponding author: D. Dahliah
Department of Management, Faculty of Economic and Business, Universitas Muslim Indonesia, Makassar, Indonesia.

E-mail: dahliah.fekon79@gmail.com

SOCIAL SCIENCE AND EDUCATION | RESEARCH ARTICLE

The Influence of Unemployment, Human Development Index and Gross Domestic Product on Poverty level

D. Dahliah[1*], Andi Nirwana Nur[2]

[1,2] Department of Management, Faculty of Economic and Business, Universitas Muslim Indonesia, Makassar, Indonesia. Email: dahliah.fekon79@gmail.com

Abstract: This study was conducted with the aim of analyzing the effect of unemployment on the poverty level, the effect of the human development index (HDI) on the poverty level, gross domestic product (GDP) on the poverty level, and the effect of unemployment, HDI and GDP on the level of poverty. This study uses secondary data obtained from the Central Statistics Agency (BPS) and other related sources. Data were analyzed using the multiple linear regression model using SPSS 25 Application. The results of this study indicate that: (1) Unemployment has a positive and insignificant effect on the level of poverty; (2) Partially, the HDI and GDP have a negative and insignificant effect on the level of poverty; (3) Simultaneously Unemployment, HDI and GDP have a significant effect on the level of poverty. The results of this study indicate that in order to significantly reduce the Poverty Level in East Luwu, the three independent variables must be the attention of the East Luwu Government in making development policies. Increase the HDI mainly in terms of education and health to provide more competitive human resources, pursue high GDP growth level, and be more qualified and inclusive to reduce poverty levels in East Luwu.

Keywords: Unemployment, Human Development Index, GDP, Poverty

JEL Code: A10, A12, B21, B16

1. INTRODUCTION

Poverty is a global issue faced by many countries in the world, including Indonesia. In the Sustainable Development Goals (SDGs), poverty reduction is an issue that is getting serious attention. SDG is evidenced by the inclusion of poverty reduction and hunger as the first and second goals and the building of a global commitment to end poverty in any form. LeBaron (2014) mentioned that widespread poverty and high numbers are at the core of all development problems. Poverty is a multidimensional problem related to various aspects of human life and livelihood, both economic, political, socio-cultural, psychological, technological, and other elements, which are closely related to each other (Olilingo & Putra, 2020). Therefore, poverty alleviation efforts take time, strategies, and resources that need to be synergized to solve it. The Law 13/2011, a fakir is a person who has no livelihood and a source of livelihood but cannot meet the basic needs worthy of the lives of himself and his family. Basic needs are food, clothing, housing, health, education, employment, and social services. According to Presidential Regulation of the Republic of Indonesia number 96/2015 on Changes to Presidential Regulation number 15/2010 on Accelerating Poverty Reduction. Poverty Reduction Program is an activity carried out by the Government, Local Government, Business World, and community to improve the welfare of the poor through social assistance, community empowerment, empowerment of micro and small economic businesses, and other programs to enhance economic activities. With various poverty alleviation policies and programs carried out, the Poverty level in Indonesia managed to fall from 60 percent in 1970 until finally breaking the single-digit mark of 9.41 percent in March 2019 and dropped back to 9.22 percent in September 2019. Although the percentage of the poor population in September 2020 was recorded at 10.19 percent, an

https://doi.org/10.52970/grsse.v1i2.84
Website: https://goldenratio.id/index.php/grsse/index ISSN [Online] 27975827

increase of 0.41 percentage points against March 2020 and an increase of 0.97 percentage points against September 2019. The increase in the number and percentage of poor people in March 2020 and September 2020 was caused by the COVID-19 pandemic that hit Indonesia. The Poverty level in Indonesia in September 2020 reached 27.55 million people. Compared to March 2020, the Poverty level increased by 1.13 million people. Meanwhile, when compared to September 2019, the Poverty level rose by 2.76 million people (Arfah et al., 2020)

In absolute terms, the Poverty level in Indonesia is still relatively high. Of these, 61.32 percent of them live in rural areas and generally work in the agricultural sector. This shows that the problem of poverty in Indonesia is the dominant problem in rural areas. The first factor that affects the percentage of poverty is the large population. If followed by adequate quality is reliable development capital, but if low quality will be a burden of development. They do not own their land or means of production are usually the first victims of government budget-saving measures (Rachmawati, 2020). Therefore, an integrated and synergistic poverty reduction strategy is needed to solve the problem completely. The percentage of people living below the poverty line should also measure economic inequality between regions. Because poverty is due to a lack of income and assets to meet basic needs such as food, clothing, housing, and health and education, poverty is also related to limited employment. Usually, those categorized as inferior have no job or unemployment, and others are explicitly closely related to poverty. The Central and Regional Governments have implemented various policies and programs to reduce poverty but are still far from the parent policy problems. The programs implemented have not shown optimal results (Presidential Decree No. 166 of 2014, 2014). There is still a gap between plans and goal achievement because poverty reduction policies and programs are more sectoral. A person or group of people who cannot live their lives to a level that is considered human (www.bbc.com, 2014). Poverty encompasses political, socio-cultural, and psychological dimensions, economics, and access to assets. They are interrelated and interdependent. Poverty is helplessness, marginalized, and lacking a sense of freedom. The factor that affects Poverty levels is economic growth. According to Raišienė et al. (2014) and Wang et al. (2019), efforts to lower unemployment and Poverty levels are equally important. In theory, if the community is not unemployed, it means having a job and income, and with that income is expected to meet the needs of life. If the necessities of life are met, then there will be no poverty. Labor has a vital role in development as a development actor. Employment problems are so natural and close to the environment, even employment problems can cause new problems in both economic and non-economic fields. High unemployment rates lead to low incomes, which further triggers the emergence of poverty. According to Halvarsson et al. (2018), human development in Indonesia is synonymous with poverty reduction. Investment in education and health will mean more to the poor than to the non-poor because the main asset of the poor is their labor. The availability of cheap education and health facilities will significantly help increase the community's productivity and, in turn, will increase the income of those communities. Likewise, with the achievements of the East Luwu GDP in the last 11 years period that continues to increase but has not been able to directly impact the reduction of poverty (De Gregori & Kuznets, 1967). Growth and poverty have a robust correlation because the Poverty level tends to increase in the early stages of building. Objectiveness of is study is analyzed does unemployment, HDI, GDP affect the Poverty level in East Luwu?

2. Literature Review

In conducting this study, the author has several references from previous research that already exists. Some previous studies that referenced the as follows: Prasetyoningrum & Sukmawati (2018) study showed that HDI directly and negatively affected the Poverty level. At the same time, economic growth did not significantly reduce the Poverty level. Then, it also appears that unemployment positively affects the Poverty level with a path coefficient value of 0.14 and a significant effect with a probability of 0.0035. The study also showed that unemployment could mediate between HDI and poverty. In addition, unemployment can also mediate between economic development and poverty. Leonita & Sari (2019) conducted a study state the research is associative because it aims to test the influence between research variables. The research data was taken from the online website of the

https://doi.org/10.52970/grsse.v1i2.84
Website: https://goldenratio.id/index.php/grsse/index
ISSN [Online] 27975827

Indonesian Central Statistics Agency (BPS). Regression methods with panel data are done using the E-views application. Chow and Hausman's test results concluded that fixed-effect models were used. The results showed that the rate of GDP, HDI, and unemployment simultaneously influenced poverty. Partial testing showed Poverty levels were affected by the speed of GDP and unemployment. HDI does not affect poverty. The government is expected to focus on increasing regional revenues. With regional incomes increasing, unemployment will likely decrease, and the Poverty level will also decrease. HDI also certainly has a role in advancing regional income because building good people is expected to improve people's living standards. Suripto & Subayil (2020) state results in studies with a significant rate of 5% show that Education Level have no significant effect on poverty; Unemployment do not affect poverty; Economic Growth have a negative and significant influence on poverty; HDI variable has a negative and significant influence on poverty. Dinata (2020) from the research that has been done, the results of HDI have a negative and significant effect on poverty. Then Economic Growth has no significant effect on poverty. The number of people has a significant negative effect on poverty and the Unemployment has no significant effect on poverty. The study also obtained results from four variables: the HDI, Economic Growth, Population number, and Unemployment Rate, which significantly affect poverty. Then the contribution of influence from the four variables is 95.1%, while other variables influence the rest. The explanation can be described the Effect of the number of Unemployed, HDI, and GDP on poverty levels in East Luwu in a thought like the following:

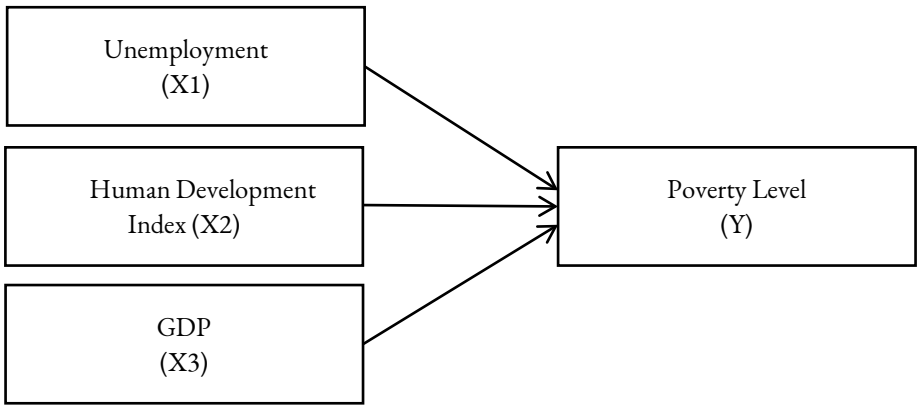


Figure 1: Conceptual framework

Based on the formulation of the problem and the conceptual framework mentioned above, the hypothesis proposed in this study is:

1. Unemployment has a positive and significant effect on the poverty levels
2. HDI has a positive and significant effect on poverty levels
3. GDP has a positive and significant effect on poverty levels

3. Research Method and Materials

3.1 Participants

Research methods are a way to understand a research object by guiding researchers with sequences of how research is conducted, including the techniques and procedures used in research. In this study, the approach used by researchers is quantitative research and uses statistical formulas to help analyze the data and facts obtained. The research site was conducted in East Luwu and was conducted from March to May 2021. The type of data used in this study is secondary data. The samples taken in this study were data on Unemployment, HDI, GDP, and Poverty level in East Luwu from 2010 to 2020.

https://doi.org/10.52970/grsse.v1i2.84

Website: https://goldenratio.id/index.php/grsse/index ISSN [Online] 27975827

3.2 Instrument and Measurement

The data analysis methods used in this study are Descriptive Statistical Analysis. Descriptive statistics are statistics used to analyze data by describing or describing data that has been collected as it is without intending to make generally accepted conclusions or generalizations. The stage of hypothesis testing using multiple linear regressions is taken by determining the regression equation is:

$$\mathbf{Y = b_0 + b_1X_1 + b_2X_2 + b_3X_3 + e}$$

Info:

Y = Poverty level
b_1 = Coefficient Unemployment
b_2 = Coefficient HDI
b_3 = Coefficient GDP
X_1 = Unemployment
X_2 = HDI
X_3 = GDP
e = Error term

To determine the significant level of each independent variable regression coefficient on the dependent variable. A significant-test is a procedure used to test the truth or error of the result of hypothesis zero from the sample. The basic idea behind significance testing is the statistical test of the distribution of samples from a statistic below the null hypothesis. The decision to process H0 is made based on statistical test scores obtained from existing data. Statistical tests consist of partial regression coefficient testing (t-test), regression coefficient testing together (F-test), and testing the goodness of fit test (R^2) determination coefficient. The Coefficient of Determination (R^2) Test aims to measure how far the Poverty level can explain the variation of dependent variables. In the first hypothesis test, the coefficient of determination is seen from the magnitude of the value (Adjusted R^2) to determine how far the free variables, namely Unemployment, HDI, and GDP, to the Poverty Level. The value (Adjusted R^2) has intervals between 0 and 1. To examine the effect of independent variables on individual dependents, can be seen the following hypotheses:

H0: $\beta 1 = 0$ means no effect,
H1: $\beta 1 > 0$ means positive effect,
H1: $\beta 1 < 0$ means negative effect.

Where $\beta 1$ the coefficient of the 1st independent variable is the value of the hypothesis parameter. Usually, the value of β is considered zero, meaning that there is no influence of variable X_1 on Y. F-test is a test that aims to find out how much influence the regression coefficients together on dependent variables. A significant degree is 5% or ($\alpha = 0.05$) to determine whether or not significant. Suppose the value F of the calculation results is greater than the F-value according to the F-estimated. In that case, the alternative hypothesis of independent variables has a significant effect on the dependent variable. A significant rate (α) used is a 5% F distribution with a degree of freedom (α; K-1, n-k). Test Criteria: F-calculates < F-estimated = accepted, meaning that independent variables simultaneously or simultaneously do not affect dependent variables significantly. F-calculates > F-estimated = Ho is rejected, meaning that independent variables simultaneously or affect the dependent bell significantly.

4. Results and Discussion

The subjects of this discussion are how the influence of Unemployment, HDI, and GDP on the Poverty level in the East Luwu, where the data object used comes from the Central Statistics Agency (BPS) of East Luwu. Unemployment Data, HDI, and GDP as independent variables are used to see how these independent variables affect the Poverty level in East Luwu as dependent variables. The variable data used in this study is data from 2010 to 2020 (11 years). The research data obtained will

https://doi.org/10.52970/grsse.v1i2.84

Website: https://goldenratio.id/index.php/grsse/index

OPEN ACCESS

ISSN [Online] 27975827

be analyzed with the multiple linear regression Model to support the study results because the independent variables used consist of 3 (three) variables. The Multiple Linear Regression Model is used to test how independent variables relate to dependent variables. Furthermore, it will be explained and outlined the conditions of dependent variables and independent variables in East Luwu discussed in this study, which consists of:

4.1. Poverty level

In general, poverty can be divided into two types, namely absolute poverty and relative poverty. Absolute poverty is a condition of a person's inability to meet minimum basic needs such as food, clothing, health, housing, and education. In comparison, relative poverty is a condition caused by the influence of development policies that have not reached all levels of society, causing someone to be poorer than others. The Government of East Luwu, in the last 11 years, has allocated a large enough budget to implement development programs whose primary purpose is poverty reduction and improved community welfare. The following presents the development of poverty levels in East Luwu in the period 2010 to 2020:

Table 1: Poverty Level of East Luwu 2010-2020

Year	Poverty (In a Thousand People)	(%)
2010	22.40	9,18
2011	20,40	8,29
2012	19,68	7,71
2013	22,20	8,38
2014	20,78	7,67
2015	19,70	7,18
2016	21,08	7,52
2017	21,90	7,66
2018	21,15	7,23
2019	20,83	6,98
2020	20,82	6,85

Based on Table 1, in 2010, the number of poor people of East Luwu amounted to 22.40 thousand people or 9.18 percent and decreased in 2011 to reach 8.29 percent or 20.40 thousand people. In 2012, the percentage of the poor again reduced to 7.71 percent or 19.68 thousand people. Furthermore, in 2013 the ratio of the poor population increased to 8.38 percent or 22.20 thousand people. In 2014 the percentage of the poor again decreased to 7.67 percent or 20.78 thousand people. In 2015 the ratio of the poor continued to decrease to 7.18 percent or 19.70 thousand poor people. In the period 2016 and 2017, the percentage of the poor increased to 7.52 percent or 21.08 thousand people and 7.66 percent or 21.90 thousand people. While in 2018, the rate of the poor population again decreased to 7.23 percent or 21.15 thousand people. And in 2019, the percentage of the poor population again reduced to 6.98 or 20.83 thousand people. In 2020, the percentage of the poor again reduced to 6.85 percent or 20.82 thousand people. It can be seen that the Poverty level data in the period 2010 to 2020 is volatile, wherefrom the percentage of the poor population and the number of poor people tend to decrease.

4.2. Unemployment

The composition of the working population according to the primary profession can describe the absorption of each sector from the entire population working in the East Luwu District job market. The most labor distribution is the Agricultural sector at 44.41 percent, while the manufacturing category is 18.13 percent and the service category is 37.46 percent. The category of employment that experienced an increase in contribution compared to August 2019 was the manufacturing category by 1.42 percentage points, followed by the agricultural category by 0.37 percentage points, while the service category experienced 1.79 percentage point drop. Based on its leading employment status, the

https://doi.org/10.52970/grsse.v1i2.84
Website: https://goldenratio.id/index.php/grsse/index ISSN [Online] 27975827

population working as workers in August 2020 still dominates the workforce composition in Indonesia, which is 32.29 percent. Nevertheless, it experienced the highest decrease of 6.26 percentage points compared to August 2019. While the leading employment status that experienced the highest increase was trying to be helped by non-permanent workers increased by 6.77 percentage points, and family / unpaid workers increased by 2.39 percentage points. Based on the status of the main occupation, working residents can be categorized into formal and informal activities. In August 2020, the population working in informal activities was 98 thousand people (65.14 percent), while those who worked informal activities were 52.5 thousand (34.86 percent). The number of people working in informal activities in August 2020 increased by 7.29 percentage points compared to August 2019. Currently, the working population is still dominated by those educated in elementary school, which is as much as 35.44 percent in August 2020. While the highly educated workforce of Diploma and University only amounted to 17.38 percent in August 2020. Compared to August 2019, the contribution of education to the working population decreased in elementary education (0.76 percentage points) and vocational school (1.38 percentage points). The following presents the development of the number and unemployment rate in East Luwu in the period 2010 to 2020:

Table 2: Unemployment of East Luwu Regency 2010-2020

Year	Unemployment (People)	(%)
2010	16.139	13,22
2011	8.005	7,16
2012	8.990	8,12
2013	7.027	6,28
2014	9.962	8,10
2015	7.026	5,37
2016	6.801	4,10
2017	3.572	2,58
2018	3.060	2,03
2019	5.476	3,81
2020	7.029	4,46

Based on Table 2, in 2010, unemployment in East Luwu reached 16,139 people or 13.22 percent, then dropped to 8,005 people or 7.16 percent in 2011. Furthermore, in 2012 unemployment again increased to 8,990 people or 8.12 percent and again decreased in 2013 to 7,027 people or 6.28 percent. In 2014 unemployment again increased to 9,962 people or 8.10 percent, but fell in 2015 to 7,026 people or 5.37 percent. In 2016 to 2018, unemployment decreased to 6,801 people or 4.10 percent in 2016, 3,572 people or 2.58 percent in 2017, and 3,060 people or 2.03 percent. In 2019 unemployment again increased to 5,476 people or 3.81 percent and in 2020 continued to increase to 7,029 people or 4.46 percent. It can be seen that the data on the number of unemployed in the period 2010 to 2020 is also fluctuating.

4.3. Human Development Index (HDI)

HDI is an indicator of the achievement of community quality of life development that is structured based on three basic dimensions, namely longevity and healthy living, knowledge, and decent living standards. Indicators of life expectancy at birth represent the dimensions of longevity and healthy living. The measurement of knowledge is represented by indicators of old school expectations and the average length of schooling. At the same time, the dimension of living standards is feasible, represented by adjusted per capita producers. East Luwu HDI in 2020 amounted to 73.22, ranked 4th in South Sulawesi Province. The following presents the development of the East Luwu HDI in the period 2010 to 2020:

https://doi.org/10.52970/grsse.v1i2.84

Website: https://goldenratio.id/index.php/grsse/index ISSN [Online] 27975827

Table 3: HDI Level of East Luwu 2010-2020

Year	Human Development Index (Points)
2010	68,47
2011	68,94
2012	69,34
2013	69,53
2014	69,75
2015	70,43
2016	70,95
2017	71,46
2018	72,16
2019	72,80
2020	73,22

HDI in East Luwu Regency shows excellent results from year to year. The HDI shows the improvement of human development in general in the East Luwu Regency. Judging from the trend, east Luwu HDI has increased. In the last 11 years (2010-2020), there has been an increase of 4.75 points. HdI growth is one way to see the development of HDI in a region. HDI growth in East Luwu tends to fluctuate every year. In the period 2010-2020, HDI in East Luwu experienced growth of 6.94 percent. The highest HDI growth occurred in 2017-2018, which reached 0.98 percent, while the lowest growth occurred in 2012-2013, which only reached 0.27 percent.

4.4. Gross Domestic Product (GDP)

The preparation of GDP can be done through 3 (three) approaches, namely the production, expenditure, and income approaches presented based on prevailing and constant prices. The GDP on the general price or the nominal GDP is arranged based on the overall cost in the calculation period and looks at the economy's structure. At the same time, the GDP based on constant prices is arranged based on merit in the base year and aims to measure economic growth. The magnitude of the role of various financial businesses in producing goods and services determines the economic structure of a region. The economic system formed from the added value created by each business field illustrates how dependent an area is on the production capability of each business field. The following presented the development of GDP based on Constant Prices According to East Luwu Business Field in the period 2010 to 2020:

Table 4. GDP By Business Field based on Prices Applicable East Luwu Regency 2010-2020

Year	GDP Based on Prevailing Prices (Trillion Rupiah)
2010	11,83
2011	13,83
2012	15,27
2013	16,66
2014	19,03
2015	19,22
2016	17,40
2017	18,34
2018	20,39
2019	20,99
2020	21,53

Based on the prevailing price of 2010, the value of east Luwu Regency GDP from 2010 to 2020 increases. The increase in the value of GDP is influenced by increased production in all business fields and inflation. The GDP of East Luwu Regency in 2010 amounted to 11.83 trillion rupiahs, then rose in 2011 to reach 13.83 trillion rupiahs and again increased in 2012 to reach 15.27 trillion rupiahs. Furthermore, in 2013 the GDP value of East Luwu Regency came 16.66 Trillion rupiahs and continued to grow in 2014, reaching 19.03 Trillion rupiahs. In 2015 the value of GDP reached 19.22 trillion rupiahs, and in 2016 decreased to 17.40 trillion rupiahs. For 2017 the value of GDP again increased from the previous year, reaching 18.34 trillion rupiahs, and continued to grow in 2018, reaching 20.39 trillion rupiahs. While in 2019, the GDP value of East Luwu came to 20.99 Trillion

https://doi.org/10.52970/grsse.v1i2.84

Website: https://goldenratio.id/index.php/grsse/index ISSN [Online] 27975827

rupiahs and continued to increase in 2020reaching Rp. 21.53 Trillion Rupiah. For the past 11 years (2010-2020), the economic structure of East Luwu was dominated by 5 (five) categories of business fields, including Mining and Quarrying; Agriculture, Forestry, and Fisheries; Construction; Large and Retail Trade, Car Repair, and Motorcycles; and the processing industry. This can be seen from the role of each business field towards the formation of the GDP East Luwu.

4.5. Hypothesis Test

The coefficient of determination aims to measure how far the Poverty level can explain the various independent variables. In the first hypothesis test, the coefficient of determination is seen from the magnitude of the value (Adjusted R^2) to find out how far the free variables, namely Unemployment, HDI, and GDP to poverty, Increase.

Table 5: Coefficient of Determination (R^2)

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate	Durbin-Watson
1	.924a	.853	.790	.31625	2.303
a. Predictors: (Constant), GDP, Unemployment, HDI					
Dependent Variable: Poverty Level					

Based on table 5; Results of Multiple Regression Analysis, the value of R-Square is 0.853, so it can be concluded the Influence of Independent Variables (X) on Dependent Variables (Y) is 85.3%.

Table 6: Regression Coefficient

Model	Unstandardized Coefficients		Standardized Coefficients	t	Sig	Collinearity Statistics
	B	Std. Error	Beta			Tolerance
(Constant)	13.218	9.519		1.389	.208	
Unemployment	.029	.054	.135	.546	.602	2.926
HDI	-.039	.145	-.092	-.272	.794	5.424
GDP	-.165	.074	-.731	-2.237	.060	5.088
Dependent Variable: Poverty Level						

Table 7: Correlation Coefficient

Correlations					
		Poverty	Unemployment	HDI	GDP
Pearson Correlation	Poverty	1.000	.778	-.848	-.917
	Unemployment	.778	1.000	-.795	-.780
	HDI	-.848	-.795	1.000	.888
	GDP	-.917	-.780	.888	1.000
Sig. (1-tailed)	Poverty	.	.002	.000	.000
	Unemployment	.002	.	.002	.002
	HDI	.000	.002	.	.000
	GDP	.000	.002	.000	.
N	Poverty	11	11	11	11
	Unemployment	11	11	11	11
	HDI	11	11	11	11
	GDP	11	11	11	11

The Predictor variable contribution: An explanation of the magnitude of the contribution of influence (in a matter of percent) given by each independent variable (X) to the Dependent Variable (Y).

https://doi.org/10.52970/grsse.v1i2.84

Website: https://goldenratio.id/index.php/grsse/index

ISSN [Online] 27975827

Table 8: Predictor Variables Contribution

Variable	Regression Coefficient	Correlation Coefficient	R Square
X_1	0,135	0,778	85,3
X_2	-0,092	-0,848	
X_3	-0,731	-0,917	

Effective Contribution (SE): is a measure of the contribution of a variable independent of a dependent variable in regression analysis. The sum of the SE of all independent variables is the same as the sum of the values R-Square (R^2).

Table 9: Effective Contribution

Measurement	Value
X1	10,5
X2	7,8
X3	67,0
R-square	85.3

Based on the results of the calculation above, it can be known that: Effective Contribution (SE) Variable Unemployment (X_1) to Poverty Level(Y) is 10.5%. Effective Contribution (SE) Variable HDI (X_2) to Poverty level (Y) is 7.8%. Effective Contribution (SE) Variable GDP to Poverty level (Y) is 67.0%. Relative contribution (SR) measures the contribution of a variable independent of the number of regression squares. The SR number of all independent variables is 100% or equal to 1.

Table 10: Relative Contribution

SR	Value
X_1	12,3
X_2	9,1
X_3	78,6
R-Square	100.0

Based on the results of the calculation above, it can be known that: Relative Contribution (SR) Unemployment to Poverty Level is 12.3% Relative Contribution (SR) Variable HDI to Poverty Level is 9.1% Relative Contribution (SR) Variable GDP to Poverty is 78.6%. This f-statistics test is a test that aims to find out how much influence the regression coefficients together have on dependent variables. A significant degree is 5% or ($\alpha = 0.05$) to determine whether or not substantial. Suppose the value F of the calculation results is greater than the F-value according to the table.

Table 11: Simultaneous Test Results

ANOVA						
Model		Sum of Squares	df	Mean Square	F	Sig
1	Regression	4.068	3	1.356	13.557	.003b
	Residual	.700	7	.100		
	Total	4.768	10			
a. Dependent Variable: Poverty						
b. Predictors: (Constant), GDP, Unemployment, HDI						

The basis of Simultaneous f-test decision-making is based on the Value of Significance the value is Sig. < 0.05, then it means that the Independent Variable (X) simultaneously affects the dependent variable (Y). The conclusion of Simultaneous Test: Sig Value. Unemployment, HDI, and GDP is 0.003 < 0.05, so it can be concluded Unemployment, HDI, and GDP, Simultaneously Affecting Poverty(Y). Basis of Simultaneous f-Test Decision Making (Multiple Linear Regression) based on comparison of coefficient. F-Calculates > F-Estimated, then it means Independent Variable (X) Simultaneously Effects Dependent Variable (Y). Formula looking for F-estimated= (k;n-k) = (3;11-3) = (3;8) = 4.07 Simultaneous F-test results: The value of f-calculates Unemployment, HDI, and GDP

https://doi.org/10.52970/grsse.v1i2.84

Website: https://goldenratio.id/index.php/grsse/index ISSN [Online] 27975827

is 13,557 > 4.07, so it can be concluded unemployment, HDI, and GDP, simultaneously significantly affecting poverty (Y). This test is used to determine whether each independent variable has a significant effect on the dependent variable. In other words, to find out if each independent variable can explain the changes that occur independent variables in real terms. Where β1 the coefficient of the 1st independent variable is the value of the hypothesis parameter. Usually, the value of β is considered zero, meaning that there is no effect of variable X_1 on Y.

Table 12: T-Test

Model		Unstandardized Coefficients		Standardized Coefficients	t	Sig	Collinearity Statistics
		B	Std. Error	Beta			Tolerance
1	(Constant)	13.218	9.519		1.389	.208	
	Unemployment	.029	.054	.135	.546	.602	.342
	HDI	-.039	.145	-.092	-.272	.794	.184
	GDP	-.165	.074	-.731	-2.237	.040	.197
a. Dependent Variable: Poverty Level							

The basis of Partial t-test based on Sign-Value Sig. < 0.05, then it means that independent variable (X) partially significantly affects dependent variable (Y) partial t-test result: Sig value. Unemployment 0.602 > 0.05, so it can be concluded that Unemployment partially has no significant effect on the Poverty level; Sig value. HDI 0.794 > 0.05, so it can be concluded that HDI partially has no significant effect on poverty level; Sig value. GDP 0.060 > 0.05, so it can be concluded that GDP partially has no significant effect on the poverty level. The value of t-Calculate HDI is -0.272 < t-estimated is 2.36462, so it can be concluded that the HDI partially affects negative and insignificantly on poverty level; The value of t Calculate GDP is -2,237 < t-estimated is 2.36462, so it can be concluded that variable GDP partially negatively and insignificantly affects poverty level. Concludes Partial t-test Results: Unemployment negatively effects and does not significant to poverty; HDI negatively influential and not significant to Poverty; Unemployment negatively and insignificantly effect on Poverty.

$$\mathbf{Y = 13.218 + 0.029X_1 - 0.039X_2 - 0.165X_3}$$

The β0 coefficient is 13,218. This means that if the Variable Unemployment, HDI, and GDP (X_3) are constant or X = 0, then the Poverty level is 13,218; Coefficient value β1 = 0.029. This means that if the Unemployment Variable decreases by 1%, it results in poverty in East Luwu experiencing a decrease of 0.029 assuming constant HDI and GDP. The positive value coefficient means that there is a positive relationship between unemployment and poverty level because the decrease in the number of unemployed, the poverty level also decreases. So, the hypothesis tested in this study: unemployment has a positive and insignificant effect on poverty levels in east luwu regency," was rejected. Coefficient value β2 = −0.039. This means that if the HDI Variable increases by 1%, it results in poverty in East Luwu, experiencing a decrease of 0.039 assuming persistent unemployment and GDP. A negative value coefficient means a negative relationship between the HDI and the Poverty Level. The increasing HDI then the Poverty level decreases. So, the hypothesis tested in this study: HDI has a negative and insignificant effect on the poverty level in East Luwu. Coefficient value β3 = −0.165. This means that if the GDP variable increases by 1%, it results in poverty in East Luwu Regency, experiencing a decrease of 0.165, assuming constant unemployment and HDI. A negative value coefficient means a negative relationship between GDP and Poverty level because the increasing GDP then the Poverty level decreases. So, the hypothesis tested in this study is that GDP has a Negative and Insignificant Effect on the Poverty level in East Luwu.

https://doi.org/10.52970/grsse.v1i2.84

Website: https://goldenratio.id/index.php/grsse/index

OPEN ACCESS

ISSN [Online] 27975827

4.6. Discussion

Based on statistical tests, it is known that unemployment has a positive and insignificant effect on the Poverty level. Which shows the significant value of unemployment variables, namely 0.602 > 0.05, so it can be said that unemployment variables have no significant effect on the level of health in East Luwu. According to Yacob (2012), efforts to lower the unemployment and Poverty levels are equally important. In theory, if the community is not unemployed, it means having a job and income, and with that income is expected to meet the needs of life. If the necessities of life are met, no one will be poor. So, it is said that with a low unemployment rate, the Poverty level is also ordinary. This is in line with the research results conducted by Ita Cristina that unemployment variables had a positive and significant effect on poverty in Bali Province. While the research conducted by Shidiq Ramdan Dinata concluded that the Unemployment Rate had no significant effect on poverty. The study is in line with the results of this study which states that unemployment Had a Positive and Insignificant Effect on Poverty levels in the East Luwu in 2010-2020. Unemployment has no significant effect on the Poverty level in East Luwu because many individuals are actively looking for work. At the same time, employment is limited, plus most of the unemployment in East Luwu belongs to frictional unemployment. Unemployment in this category is the strength of newcomers looking for their first job and temporary workers as they move to new locations or positions where workers will feel more productive. The amount of unemployment in this category is driven because it looks at the condition of East Luwu, which is rich in natural resources, including the mining sector and the agricultural sector. The existence of large companies such as PT. Vale Indonesia has not reduced the unemployed in East Luwu due to limited labor receipts. While for areas outside the mine, such as the agricultural sector, most no longer need daily labor because farmers have been supported by agricultural machinery. Based on the results of statistical tests, it is known that the Human Development Index has a negative and insignificant effect on poverty levels. The statistical results it can be concluded that the significant value of human development index variables is 0.794 > 0.05. So, the HDI has no significant effect on the poverty level in East Luwu. Amartya Sen (1989) defines HDI as the expansion of the absolute freedom enjoyed by humans. Freedom depends on socioeconomic factors such as access to education, health, employment, and politics. Mahbub ul Haq (1995) argues that human development is a process of expanding choices, namely freedom of politics, participation in public life, the option to be educated, survive and be healthy, and enjoy a decent standard of living. Both experts are the forerunners of the human development concept used by the United Nations Development Programme (UNDP). With a healthy and well-educated society, increased community productivity will increase spending on consumption; when spending on consumption increases, the Poverty level will decrease. On the other hand, the low Human Development Index (HDI) results in low worker productivity. Low productivity results in low-income gains. So that with low incomes cause high poverty levels. This is in line with the research results conducted by Ridho Andykha Putera (2018) which concluded that HDI variables have a negative and significant effect on poverty levels. While research conducted by Lily Leonita, Rini Kurnia Sari. The study is in line with the results of this study which states that the Human Development Index has a negative and insignificant effect on poverty levels in Luwu Timu r regency in the period 2010-2020. HDI, consisting of education, health, and decent living standards, determines human quality because the HDI describes how layers of society can access human development results. The high HDI has not significantly affected the Poverty level because of the three components that form it. Namely, the per capita expenditure component, which is relatively high, reaching 12.814 million per year in 2020, has not represented the overall welfare condition of the population in the East Luwu.

Based on statistical tests, it is known that GDP has a negative and insignificant effect on the Poverty level. Based on Table 22, it can be concluded that the significant value of unemployment variables is 0.060 > 0.05. So, GDP variables have no significant effect on the poverty level in East Luwu. GDP, according to the Central Statistics Agency (2020), is defined as the amount of added value generated by all business units in a region or is the sum of the entire value of final goods and services produced by all economic units in an area. GDP Growth is used to understand the financial dynamics by looking at the acceleration of its economy. This shows that the increase in gross regional

https://doi.org/10.52970/grsse.v1i2.84

Website: https://goldenratio.id/index.php/grsse/index ISSN [Online] 27975827

domestic product growth indicates increased demand for goods and services, which means that people's need for goods and services will increase. The development of GDP can indirectly reduce poverty, which is always identified with the community's inability to meet needs. It can be said that when the economy of an area increases, the Poverty level will decrease.

This is in line with the results of research conducted by Putri Sari M J Silaban, which concluded that partially GDP had a negative and significant influence on the number of poor people in North Sumatra from 2002 to 2017. While the study conducted by Fatkhul Mufid Cholili partially concluded GDP had no significant effect on poverty levels. The study is in line with the results of this study which states that GDP has a negative and insignificant impact on the Poverty level in East Luwu in the period 2010-2020. GDP has a negative and insignificant effect on the poverty level due to the non-distribution of development and economy to all regions in East Luwu. Some areas of the East Luwu can only feel the GDP, so the development of the GDP has not impacted all levels of society. Concerning efforts to improve the community's welfare, high GDP must also be followed by equitable development. Action focused on the high GDP will cause two crucial problems, namely economic inequality and poverty. The financial gap in question is the inequality in income distribution indicated by the Gini Ratio in East Luwu which tends to experience an increase that reaches 0.405 points in 2020. from an uneven distribution of income which then triggers income inequality due to changes in different levels of well-being between groups of people. Inequality will be worse if the welfare levels of lower-income groups grow slowly or even fall while the welfare levels of upper-income groups proliferate. This will become very serious if both problems drag on and are allowed to get worse, which will eventually lead to the consequences of political turmoil and social, whose impact is quite negative.

5. Conclusion

After researching the Influence of Unemployment, HDI, and GDP on Poverty Levels in East Luwu following: (1) To further deepen and enrich the results of further research, the results of this study are expected to be used as reference material for the development of advanced analysis of course by paying attention to weaknesses and limitations in this study. (2) To further deepen and enrich the results of this study, it is expected for further researchers to use other variables beyond the independent variables used in this study. (3) The East Luwu Government needs to produce policies that focus more on opening more comprehensive employment to address unemployment, opening the complete access to education, health, and financial services, and expanding the reach of sectors of the economic structure of the development of GDP. (4) The East Luwu Government needs to further utilize the potential of natural resources through an increased investment that can open more comprehensive employment. Increase the HDI mainly in terms of education and health to provide more competitive human resources, pursue high GDP growth rates, and be more qualified and inclusive to reduce poverty levels in East Luwu.

References

Andiny, P., & Nurjannah, N. (2018). Analysis of Empowerment of Small and Medium Micro Enterprises (MSMEs) to Reduce Poverty in Langsa City. Journal of Economic and Business Portico, 5(1), 31–37.

Arfah, A., Olilingo, F. Z., Syaifuddin, S., Dahliah, D., Nurmiati, N., & Putra, A. H. P. K. (2020). Economics During Global Recession: Sharia-Economics as a Post COVID-19 Agenda. The Journal of Asian Finance, Economics, and Business, 7(11), 1077–1085. https://doi.org/10.13106/jafeb.2020.vol7.no11.1077

Central Bureau of Statistics. (2018). Indonesian Environmental Statistics. In www.bps.go.id. Indonesian Central Statistics Agency. https://www.bps.go.id/publication/2018/12/07/d8cbb5465bd1d3138c21fc80/statistik-lingkungan-hidup-indonesia-2018.html

BEKRAF and BPS. (2017). Statistics data and Results of the Creative Economy Survey. Cooperation of the Creative Economy Agency and the Central Bureau of Statistics.

Benmelech, E., Frydman, C., & Papanikolaou, D. (2019). Financial frictions and employment during the Great Depression. Journal of Financial Economics, 133(3), 541–563. https://doi.org/10.1016/j.jfineco.2019.02.005

Claus, L., Vloeberghs, D., & Pichault, F. (2002). Belgian-style human resource management: A case of mistaken

https://doi.org/10.52970/grsse.v1i2.84

Website: https://goldenratio.id/index.php/grsse/index ISSN [Online] 27975827

identity. European Management Journal, 20(4), 438–446. https://doi.org/10.1016/S0263-2373(02)00067-1

De Gregori, T. R., & Kuznets, S. (1967). Modern Economic Growth: Rate, Structure, and Spread. Technology and Culture. https://doi.org/10.2307/3101737

Dinata, S. R. (2020). The Influence of Human Development Index, Economic Growth, Population And Unemployment on Poverty in Riau Province in 2003-2018. Al-Iqtishad Journal, 16(2), 116–137.

Gaffar, S., & Uleng Akal, A. T. (2021). Quantitative Analysis of Leverage Ratio on Earning-Per-Share of Property and Real Estate Sectors in Indonesia. Golden Ratio of Finance Management, 1(2), 101 - 113. https://doi.org/10.52970/grfm.v1i2.58

Gusfahmi. (2009). Reconstruction of Zakat and Tax Practices to Overcome Poverty. Zakat & Empowering - Journal of Thought And Ideas, 2,5–17.

Halvarsson, D., Korpi, M., & Wennberg, K. (2018). Entrepreneurship and income inequality. Journal of Economic Behavior and Organization, 145, 275–293. https://doi.org/10.1016/j.jebo.2017.11.003

Inchausti-Sintes, F. (2015). Tourism: Economic growth, employment, and Dutch Disease. Annals of Tourism Research, 54, 172–189. https://doi.org/10.1016/j.annals.2015.07.007

Islam, S. M. D. U., Bodrud-Doza, M., Khan, R. M., Haque, M. A., & Mamun, M. A. (2020). We are exploring COVID-19 stress and its factors in Bangladesh: A perception-based study. Heliyon, 6(7), 1–10. https://doi.org/10.1016/j.heliyon.2020.e04399

Jamil, C. Z. M., & Mohamed, R. (2013). The Effect of Management Control System on Performance Measurement System at Small Medium Hotel in Malaysia. International Journal of Trade, Economics and Finance, 4(4), 202–208. https://doi.org/10.7763/IJTEF.2013.V4.286

Jenkins, W. (2009). Sustainability theory. In Berkshire Encyclopedia of Sustainability.

Kaharudin, R., Kumenaung, A. G., & Niode, A. O. (2019). Effect of Government Spending on Economic Growth, Unemployment and Poverty (Case Study on Manado City 2001-2017). Efficiency, 19(04).

Kamakura, W. A., & Mazzon, J. A. (2015). Measuring the Impact of a Conditional Cash Transfer Program on Consumption Behavior with Propensity Scoring. Customer Needs and Solutions, 2(4), 302–316. https://doi.org/10.1007/s40547-015-0037-0

Mahdalena, M., & Said, D. (2021). Budget Accountability in The Perspective of Habermas Communicative Action Theory. Golden Ratio of Social Science and Education, 1(2), 61-72. https://doi.org/10.52970/grsse.v1i2.73

Ministry of National Development Planning. (2016). Economic Policy Package Volume 6. 1. https://www.ekon.go.id/ekliping/view/paket-kebijakan-ekonomi-xiv.2862.html

Kurniawan, F., Adrianto, L., Bengen, D. G., & Prasetyo, L. B. (2019). The social-ecological status of small islands: An evaluation of island tourism destination management in Indonesia. Tourism Management Perspectives, 31, 136–144. https://doi.org/https://doi.org/10.1016/j.tmp.2019.04.004

Larios-Gómez, E., Fischer, L., Peñalosa, M., & Ortega-Vivanco, M. (2021). Purchase behavior in COVID-19: A cross study in Mexico, Colombia, and Ecuador. Heliyon, 7(3). https://doi.org/10.1016/j.heliyon.2021.e06468

LeBaron, G. (2014). Reconceptualizing Debt Bondage: Debt as a Class-Based Form of Labor Discipline. Critical Sociology. https://doi.org/10.1177/0896920513512695

Leonita, L., & Sari, R. K. (2019). The Effect of GDP, Unemployment and Human Development on Poverty in Indonesia. ISO QUANT: Journal of Economics, Management and Accounting, 3(2), 1–8.

Liu, D., Xu, C., Yu, Y., Rong, K., & Zhang, J. (2019). Economic growth target, distortion of public expenditure and business cycle in China. China Economic Review, December 2018, 101373. https://doi.org/10.1016/j.chieco.2019.101373

Mahdalena, M., Haliah, Syarifuddin, & Said, D. . (2021). Budget Accountability in The Perspective of Habermas Communicative Action Theory. Golden Ratio of Social Science and Education, 1(2), 61 - 72. https://doi.org/10.52970/grsse.v1i2.73

Maksimov, V., Wang, S. L., & Luo, Y. (2017). Reducing poverty in the least developed countries: The role of small and medium enterprises. Journal of World Business, 52(2), 244–257. https://doi.org/10.1016/j.jwb.2016.12.007

O'Campo, P., Molnar, A., Ng, E., Renahy, E., Mitchell, C., Shankardass, K., St. John, A., Bambra, C., & Muntaner, C. (2015). Social welfare matters: A realist review of when, how, and why unemployment insurance impacts poverty and health. Social Science and Medicine, 132, 88–94. https://doi.org/10.1016/j.socscimed.2015.03.025

Olilingo, F. Z., & Putra, A. H. P. K. (2020). How Indonesia Economics Works: Correlation Analysis of Macroeconomics in 2010-2019. Journal Asian Finance Economic and Business, 7(8), 117–130. https://doi.org/10.13106/jafeb.2020.vol7.no8.117

Presidential Decree No. 166 of 2014. (2014). Presidential Regulation of the Republic of Indonesia Program to Accelerate Poverty Reduction (pp. 8–11).

https://doi.org/10.52970/grsse.v1i2.84

Website: https://goldenratio.id/index.php/grsse/index ISSN [Online] 27975827

Prasetyoningrum, A. K., & Sukmawati, U.S. (2018). Analysis of the Influence of Human Development Index (HDI), Economic Growth and Unemployment on Poverty in Indonesia. Equilibrium: Journal of Islamic Economics, 6(2), 217–240. http://dx.doi.org/10.21043/equilibrium.v6i2.3663

Rachmawati, M. (2020). Contribution of MSME Sector to Poverty Alleviation Efforts in Indonesia. Journal of Economics, Social &Humanities, 1(07), 1–13.

Raišienė, A. G., Bagdonienė, J., & Bilan, Y. (2014). Inter-Institutional Interaction Results: The Effect of EU Programs on the Reduction of Long-term Unemployment. Procedia Economics and Finance, 16(May), 641–650. https://doi.org/10.1016/s2212-5671(14)00852-1

Rombe, Y. (2021). The Analysis of Financial Statements Performance: Case Studies PT. Bank Negara Indonesia (Persero). Golden Ratio of Finance Management, 1(2), 87 - 100. https://doi.org/10.52970/grfm.v1i2.53

Setyawan, A. A. (2007). Poverty in the Third Duma in an international political-economic perspective. Journal of Development Economics: Study of Economic And Development Problems, 2(2), 119. https://doi.org/10.23917/jep.v2i2.3910

Sessu, A., Samiha, Y. T., Laisila, M., Chamidah, N., Murdifin, I., & Putra, A. H. P. K. (2021). The Effect of Macroeconomic Factors on Income Inequality: Evidence from Indonesia. The Journal of Asian Finance, Economics and Business, 8(7), 55-66. https://doi.org/10.13106/jafeb.2021.vol8.no7.0055

Sha, F., Li, B., Law, Y. W., & Yip, P. S. F. (2019). Beyond the Resource Drain Theory: Salary satisfaction as a mediator between commuting time and subjective well-being. Journal of Transport & Health, 15, 100631. https://doi.org/https://doi.org/10.1016/j.jth.2019.100631

Shammi, M., Bodrud-Doza, M., Towfiqul Islam, A. R. M., & Rahman, M. M. (2020). COVID-19 pandemic, socioeconomic crisis and human stress in resource-limited settings: A case from Bangladesh. Heliyon, 6(5). https://doi.org/10.1016/j.heliyon.2020.e04063

Sitopu, Y. B., Sitinjak, K. A. ., & Marpaung, F. K. . (2021). The Influence of Motivation, Work Discipline, and Compensation on Employee Performance. Golden Ratio of Human Resource Management, 1(2), 72 - 83. https://doi.org/10.52970/grhrm.v1i2.79

Sugiyono. (2010). Quantitative and Qualitative Research Methods and R&D. Alfaeta.

Sukirno, D. S., & Siengthai, S. (2011). Does participative decision making affect lecturer performance in higher education? International Journal of Educational Management, 25(5), 494–508.

Sukirno, S. (2004). Macroeconomics introductory theory. Jakarta: PT Raja Grafindo Persada.

Syafitry Sitorus, D., Amelia Putri, A. ., Rahmat Hidayat, P., & Rostina, C. F. . (2021). The influence of Selection, Motivation and Utilization of Information System Academic for Lecturer (SIAD) on the Lecturer Performance . Golden Ratio of Human Resource Management, 1(2), 61 - 71. https://doi.org/10.52970/grhrm.v1i2.78

Suripto, S., & Subayil, L. (2020). Effect of Education Rate, Unemployment of Economic Growth and Human Development Index on Poverty in Yogyakarta Pride 2010-2017.

Tian, S., & Liu, Z. (2020). Emergence of income inequality: Origin, distribution and possible policies. Physica A: Statistical Mechanics and Its Applications, 537. https://doi.org/10.1016/j.physa.2019.122767

Umar, Z., & Gubareva, M. (2020). A time-frequency analysis of the impact of the Covid-19 induced panic on the volatility of currency and cryptocurrency markets. Journal of Behavioral and Experimental Finance, 28, 100404. https://doi.org/10.1016/j.jbef.2020.100404

Wang, W., Phillips, P. C. B., & Su, L. (2019). The heterogeneous effects of the minimum wage on employment across states. Economics Letters, 174, 179–185. https://doi.org/10.1016/j.econlet.2018.11.002

www.bbc.com. (2014). Income inequality has an impact on economic growth - BBC News Indonesia Online Webpage. https://www.bbc.com/indonesia/majalah/2014/12/141209_bisnis_ketimpangan_pendapatan

Yudha, O. R. P. (2013). The effect of economic growth, minimum wage, open unemployment rate, and inflation on poverty in Indonesia in 2009-2011. State University of Semarang.