

## ANALYSING THE IMPACT OF ECONOMIC AND EMPLOYMENT GROWTH ON THE REDUCTION OF THE POOR POPULATION IN JAMBI

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### ABSTRACT

Employing information collected between 2019 to 2021, this study analyses the impact of economic growth and job expansion on a reduction in the amount of disadvantaged individuals in Jambi. The present research employed a quantitative methodology, meaning that multiple linear regression statistics were used to examine numerical data. Using secondary data from the BPS (Central Statistics Agency), the implications of employment, economic growth, and the poor population variable were investigated. The results of the study indicate that although the economic growth variable has no apparent beneficial effects on the impoverished population, it has significant consequences on people.

**Keywords:** Economic Growth, Labor Force, Population

### INTRODUCTION

Growth in economic activity is a sign of successful advancement. The primary objective of every development initiative is to raise the consumption threshold measurement, which can be done by redistributing income or by fostering economic growth. The financial crisis is an important occurrence that the globe is currently witnessing and a major issue for the global economy. (Berliani, 2021). We call to this economic expansion process as "modern economic growth." This leads to the description of economic growth as a process of raising the output of capital within a specific range. (Amdan & Sanjani, 2023).

"Modern Economic Growth" is the designation. Economic growth is initially defined as a procedure that raises the production of capital within a specific range. This indicates that the rise in labour force efficiency is a short-term reflection of the loss of people's purchasing power and offers a variety of alternate means of consuming goods and services. labelled "Modern Economic Growth". This leads to the description of economic growth as a process of raising capital production within a limited Poverty and economic growth are significant indicators of a nation's development success. The objective of this research is to ascertain and evaluate the mutually beneficial relationship between poverty and economic growth in Indonesia. The relationship between investments, economic growth, poverty, and unemployment. The impact of economic growth, life expectancy, the ability to read and educational attainment on poverty. In the present investigation, time series data from the years 2005–2009 are used to create a pooled time-series cross-section, or panel data, showing the 33 provinces in Indonesia. The approach makes use of a simultaneous equations model for both descriptive and econometric analysis. (Jonaidi, 2023). As a result, there are several alternatives to traditional consumer products and services when it comes to the short-term reflection of the loss in the purchasing power of individuals in the labour force productivity. Poverty and economic growth are crucial markers of a country's level of development. Every nation will put out great effort to achieve maximum economic growth and

Poverty and economic growth are significant indicators of a country's development advancement. (Dwi & Pasaribu, 2023). Every country will put forth considerable efforts to maximise and minimise economic growth. Every nation will work hard to attain the best

feasible economic growth and lower its rates of poverty (Nengsih et al., 2023). The increase in a nation's annual production or national income is referred to as economic growth. A nation's gross domestic product, or GDP, level can be used to gauge its rate of economic growth (Ainy et al., 2019). One indicator of a nation's development is the status of its economy. At the present time, a lot of nations are trying to lengthen their economic growth by employing strategies involving expanding their supply of raw materials, technology, and labour. (Sunusi et al., 2014). Only whole output—especially its output per capita—is relevant to economic growth. Any nation will not experience economic growth if it is not stimulated; yet, here are additional ways to accomplish economic growth. Education, morals, ethical behaviour at work, politics, security, and other factors are some of the other elements that influence the effectiveness of economic development was. (Sunusi et al., 2021).

Along with contributing to economic growth, population expansion and population education are educational elements that impact economic growth. Population growth has a chance to propel economic expansion; population growth will boost commerce, and trade growth will raise the economy's degree of specialising. This concentration of expertise will lead to an increase in economic activity. Employee expertise and work experience together will quicken the pace of economic expansion. This is due to the fact that concentration will boost worker productivity and impede technology advancement, while worker complaints will lead to unsatisfactory service. (Yunianto, 2021). The stipulations employees and work force are not equivalent. Residents who fall within the category of workers and who are employed while others are jobless are often referred to as workers. (Susila & Pradhani, 2022). People whose average month per capita expenditure falls below poverty qualify as underprivileged in Indonesia, according to the Central Statistics Agency's understanding of the term. (Leonita & Sari, 2019). The issue of poverty is a fundamental principle that is of great concern to all countries. The availability of trustworthy poverty data is a crucial factor to take into account when creating a strategy to combat poverty. This information can help policymakers concentrate on the living situations of the impoverished. (Pratiwi et al., 2020).

The Central Statistics Agency (BPS) released data on Jambi's economic growth for the 2019–2021 period, and table 1 shows that West Tanjung Jabung had the largest increase in economic growth, at 122.159 million. Meanwhile, Sungai Penuh had the lowest growth, at 23.022 million. The reasons for this were a substantial amount of public utilisation, low wages for production activities, and comparatively substantial APBN borrowings.

**Table.1. Percentage Growth ff Population, Workforce, and Poor People In Jambi**

City	X <sub>1</sub>	X <sub>2</sub>	Y
Kerinci	31.610	38.274	752.227
Merangin	48.796	58.695	860.162
Sarolangun	46.115	42.868	897.089
Batanghari	51.665	38.747	882.695
Muaro Jambi	76.274	60.353	800.666
Tanjung Jabung timur	66.027	35.288	781.507
Tanjung jabung barat	122.159	53.884	773.643
Tebo	46.282	55.455	852.934
Kota Jambi	91.995	89.764	959.437
Kota sungai penuh	23.022	13.288	800.053
Bungo	55.290	35.305	826.459

**Source: BPS In Numbers (2021)**

The Jambi city area employs 89.764 million people, which is a sizable population. But as their numbers rise, so do their working hours, and many of them are unable to sustain their current level of economic prosperity. restricted. Conversely, the greatest rate of labour

force participation—13.288 million people—was found in Sungai Penuh's outlying areas. In the city of Jambi, there are approximately 959.437 million impoverished people, the fewest ever documented in this nation. The population of the impoverished does not simply include those who endure acute cold, excessive heat, or starvation. The availability of wealth, however, in the form of liquid assets and regular income to meet or surpass daily need is also indicated by this statistic. On the other hand, the bulk of Jambi's impoverished citizens saw a decrease in the 752.227 million-person Kerinci district. The economy will grow when there are fewer impoverished individuals.

Reliable statistics on poverty can be utilised to evaluate government programmes, compare poverty across time and space, and determine targets for reducing poverty in order to enhance living conditions. (Zurlinda et al., 2020). One indicator of the prosperity of a nation is its economic growth. Labour, money, and technical advancement are only a few of the variables that will affect economic growth. Economic growth is impacted by labour in terms of both quantity and quality. (Sbm, 2020). Economic growth of 13–17% per year is required to reach full employment prospects, where the economy can utilise the entire workforce. (Salim, 2023). Two elements that impede economic growth are worker turnover and workplace stress. The economic growth of a certain region is influenced by a number of production-related factors. All of the materials required to create a specific products or service are known as production factors. The labour force participation rate is one of the important production-related parameters. Furthermore, allow me to discuss exports. One of the primary tools of the nation and a significant contributor to economic growth is exports. (Rahman et al., 2021).

## LITERATURE REVIEW

The two concepts of poverty and growth are closely related to one another. Since the start of the development process, the poverty line has been rising. After building is finished, the proportion of tool-poor people living there will decline in comparison to other artefacts; an increase in poverty will have a negative impact on the local economy. (Padang & Murtala, 2020). Even while it's widely acknowledged that economic expansion has a significant role in enhancing human well-being, not all people will always live longer on average or in the median. This correlation indicates that three areas are most likely to be affected: learning and memory, having clear, healthy skin, and raising the family's rate of return on income to maintain a higher quality of living. (Ni'mah & Islami, 2023).

A nation's ability to prosper greatly depends on its rate of economic growth. There is evidence to suggest that a nation experiencing rapid economic growth is likely to face challenges in the future. distinct from other infrastructure and facilities. A favourable workplace atmosphere will also influence employment trends, resulting in the creation of a specific nation-state. (Nadya & Aimon, 2020). Investments in physical and human capital have a beneficial effect on long-term economic growth, as explained by endogenous growth theory. Changes in consumer behaviour, loans for public investment, and tax income are examples of how the government contributes to economic growth. Additionally, according to this theory, political stability, government policy, international trade, laws and regulations, infrastructure, and democracy all play significant roles in influencing economic growth. (Ma'ruf, 2019).

Since gaining its independence, Indonesia has focused more on establishing social welfare. But up until now, achieving societal welfare has proven challenging, with poverty being one of the main issues associated with this welfare. (Lisnawati Sopiah & Ria Haryatiningsih, 2023). The government's attempt to lessen issues that arise in the job sector generally is essentially what the affirmation of the right to work and work on the one hand represents. (Kahfi, 2019). On the other side, economic growth serves as a gauge of a nation's development and wealth. Broadly speaking, economic growth serves as a gauge for the effectiveness of economic development. Growth rate is a measure of an economy's health based on changes in the country's output. (Hazmi, 2024).

Increases in a nation's ability to accommodate changes in the economy and productivity of its people are considered indicators of economic growth. (Halim, 2020). Economic growth, according to Todaro (2000), is the capacity of a nation's resources to produce a range of economic benefits for its people. Institutional frameworks, philosophies regarding the different demands of the circumstances, and advancements or modifications to current technologies all influence this capacity. (Halim et al., 2022). Positive and substantial economic growth indicates excellent progress in the area. (Fitri Wulandari et al., 2023). Hasanuddin and Roy's (2022) results on economic growth indicate that capital investment and population size have an impact on this phenomenon. (Falah & Syafrî, 2023). As per Rantau's (2018) findings, working hours have an impact on income as well. A greater amount of time spent at work corresponds to a higher income—and vice versa—if less time is spent at work. (Desanti & Ariusni, 2021). Economic growth is an increase in a country's long-term ability to produce various goods and services for its people (Amri et al., 2023).

## METHODS

This study employed a quantitative research design. Research with numbers Techniques employ statistical analysis and data sets with numerical values. Along with questioning theory, this approach creates factual data, draws attention to correlations between variables, offers statistical tables, and condenses and clarifies the findings. Secondary data was the type of data used in this study, and panel data regression analysis was the type of analysis employed. Regression analysis can be interpreted as a statistical method to determine whether there is an influence between the independent variables and the dependent variable (Arisha & Nengsih, 2024). Data that is already available and has been analysed in the past with an emphasis on resolving unresolved issues at current time is referred to as secondary data. The Central Statistics Agency (BPS) publishes a number of publications that provide the data used to compile this research material. These publications include information about Jambi's poverty rate throughout the course of several years, the population of working age, and the growth of the economy during the economically sensitive years of 2019–2021.

## RESULTS

The Coefficient Indicator is displayed in Table 2. By doing this, some of the model's limitations related to how the dependent variable is presented are reduced. This study indicates that 30.2%, or 0.302, are the chosen coefficients. The variable labour and economic growth are intriguing because they only have a 30.2 percent impact on the declining number of impoverished individuals.

Table 3 demonstrates That is to say, a F value of 3.164 is computed using the Anova F-test. The data processing result showed that the sig value was 0.097, which is smaller than 0.05 and indicates that labour and economic expansion together have an impact on the impoverished.

Table 4 indicates that the number of impoverished individuals in Jambi Province has not changed despite the economic crisis. The significance level is defined as Sig. < 0.05, or  $0.05 < 0.222$ , according to the SPSS report. The number of dependents is unaffected by the economic climate, and the number of workers is negatively impacted by the number of impoverished individuals. The statistical result indicates that it is significant if Sig. > 0.05, or  $0.05 > 0.037$ . The number of impoverished individuals is declining as ROA is rising.

**Table 2. Model Summary**

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	0.665	0,442	0.302	5.185.144.722

Predictors: (Constant),  $X_2$ ,  $X_1$

**Source: Processed Data (2024)**

Table 3. ANOVA

Model	Sum of Squares	df	Mean Square	F	Sig.
Regression	17010896376	2	8505448188	3,164	0,097
Residual	21508580631	8	2688572579		
Total	38519477008	10			

Dependent Variable: Y

Source: Processed Data (2024)

Table 4. Uji-t Results

Model	Unstandardized Coefficients B	Std. Error	Standardized Coefficients Beta	t	Sig.
Constant	767893.961	44742.035		17.163	0
X <sub>1</sub>	-0.973	0.734	-0.442	-1.325	0.222
X <sub>2</sub>	2.646	1.058	0.835	2.502	0.037

Source: Processed Data (2024)

## DISCUSSION

The test findings indicate that the number of impoverished individuals in Jambi is influenced by the ROA variable. There was a notable increase in economic growth in West Tanjung Jabung, specifically 122.159 million, according to data on Jambi's economic growth for the 2019–2021 era. In the meantime, Full River saw the least amount of economic growth—23.022 million. large public consumption, low pay for production work, and comparatively large APBN loans are the culprits. Aside from that, 89.764 million people work in the Jambi city region, which is a sizable population. The fact that their working hours rise along with their numbers means that many of them are unable to sustain the economic affluence they already enjoy. little. Conversely, however, the highest.

The city of Jambi has the lowest documented number of impoverished individuals in this country, 959.437 million. The number of impoverished individuals does not just include those who endure acute cold, excessive heat, or starvation. This number, however, also takes into account the availability of wealth in the form of liquid assets and regular income to meet or surpass daily need. If the population of the 752.227 million-person Kerinci region declined, the majority of the impoverished in Jambi did not. The economy will grow when there are fewer impoverished individuals.

## CONCLUSION

According to the results of a regression analysis, there is a correlation between economic growth, labour force participation, and household income. Moreover, no relationship exists between the variables of economic growth. and the prosperity of the home. A correlation exists between occupational characteristics and the number of patients who are impoverished, aside from that. Simultaneously, economic and job factors have a detrimental effect on impoverished people's income. Additional variables in an analysis can explain how well employment and finance variables explain poorly performed variables.

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