THE IMPACT OF UNEMPLOYMENT AND POVERTY ECONOMIC GROWTH IN REALIZATION GORONTALO REGENCY AS *MADINATUL 'ILMI*

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Abstract: This study aims to determine whether unemployment and poverty affect the economic growth in realization Gorontalo Regency as *madinatul 'Ilmi*. This research method is to use a quantitative approach method. The data collection techniques used are obtained from the website of the Central Statistics Agency (BPS) of the Gorontalo Regency government. This study uses multiple linear regression method to measure the effect of unemployment as an independent variable (X1), poverty (X2), and dependent variable of economic growth (Y). The results in this study show that unemployment (X1) and poverty (X2) test value (F) simultaneously have a significant influence on economic growth at a significance level of 5% with a probability of 0.048046. Meanwhile, partial unemployment affects negative and insignificant economic growth with a coefficient of -0.481626. The poverty variable has a positive and significant effect on the economic growth of Gorontalo Regency in 2012-2021 with a coefficient value of 1.300224.

Keywords: unemployment; poverty; economic growth; *madinatul 'Ilmi*

Abstrak: Penelitian ini bertujuan untuk mengetahui apakah pengangguran dan kemiskinan berpengaruh terhadap pertumbuhan ekonomi dalam mewujudkan Kabupaten Gorontalo sebagai *madinatul 'Ilmi*. Metode penelitian ini adalah menggunakan metode pendekatan secara kuantitatif. Tekhnik pengumpulan data yang digunakan adalah yang di peroleh dari website Badan Pusat Statistik (BPS) pemerintah Kabupaten Gorontalo. Penelitian ini menggunakan metode regresi liniear berganda untuk mengukur pengaruh pengangguran sebagai variabel independen (X1), kemiskinan (X2), dan variabel dependen pertumbuhan ekonomi (Y). Hasil dalam penelitian ini adalah menunjukkan bahwa pengangguran (X1) dan Kemiskinan (X2) nilai uji (F) secara simultan mempunyai pengaruh signifikan terhadap Pertumbuhan Ekonomi pada taraf signifikansi 5% dengan probabilitas 0.048046. Sedangkan secara parsial pengangguran perengaruh negatif dan tidak signifikan terhadap pertumbuhan ekonomi dengan koefisien -0.481626. Variabel kemiskinan berpengaruh positif dan signifikan terhadap pertumbuhan ekonomi Kabupaten Gorontalo tahun 2012-2021 dengan nilai koefisien sebesar 1.300224.

Kata kunci: pengangguran; kemiskinan; pertumbuhan ekonomi; *madinatul 'Ilmi*

Introduction

Economic growth indicates a number of economic activities lead to a rise in the output of commodities, services, and community-provided and followed services. By raising people's standard of living usually determined by looking at gross regional income. Economic growth one country or region continues show description of improvement the economy of the country or region is developed.[1]

Economic growth is a process of changing a country's economy over time can show a tendency towards a better stage. Factors that can affect a country's economic growth are capital accumulation, including all investments in land, fiscal equipment, and human resources, in addition to population growth and technological advances.[2]

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[1] Umaruddin Usman, Diramita, "The Effect of Unemployed Population and Economic Growth on Poverty in Riau Islands Province", *Unimal Regional Economic Journal*, vol.01, no. 02 August (2018).

[2] Subandi, *Development Economics*, (Bandung: Alfabeta, 2019), 5th printing, p. 87.

At the beginning of 2020, Indonesia's economy declined, including Gorontalo Regency and even the world, due to the presence of the corona virus (covid 19) outbreak. *Corona virus* is an infectious disease that will experience mild, moderate, to severe symptoms, most people exposed must receive special treatment. With this outbreak attacking all countries in the world, about 200 more countries are affected. *Corona virus* (COVID-19) This has an impact on economic growth in the form of a decline in the world economy, especially Gorontalo Regency.[3] The important role of leaders who have a strong vision and are based on strong religious beliefs in advancing the region. That it is important to know the policies of the companions of the Prophet SAW. Including studying *fiqh siyasah* is a very important science in order to organize the life of a just and prosperous nation and state.[4] From here then the jurisprudence scholars formulated the rules of jurisprudence related to *siyasah*, namely; The rules of *siyasah* that emphasize public benefit are related to constitutional law, state administration, international law, and economic law.[5]

Achieving economic growth without additional employment opportunities will result in inequality of additional income distribution, which in turn will create conditions for economic growth that exacerbate poverty.[6] The economic growth of Gorontalo Regency is seen from the GDP Growth Rate Based on Constant Prices as follows:

Table 1. Economic Growth of Gorontalo Regency Year 2012-2021

Year	Economic growth (%)
2012	7,72
2013	7,74
2014	7,73
2015	7,77
2016	6,31
2017	6,62
2018	6,78
2019	6,20
2020	6,22
2021	6,31

Source: *processed from BPS Gorontalo Regency, 2022*

Based on the table 1, in 2011 the total economic growth of Gorontalo Regency reached 7.72%, then rose to 7.74% in 2012. In 2013 the economic growth of Gorontalo Regency fell from the previous year to 7.73% but rose again to 7.77% in 2014. It fell again to 6.31% in 2015. But then it rose again to 6.62% in 2016, 6.78 in 2017. Then it fell by 6.20% in 2018, rose again in 2019 to 6.22% and finally in 2020 was at (0.01). The lowest occurred in 2020 at (0.01%) percent, while the highest economic growth was 6.78 percent in 2017. This cannot be separated from the supervision of the local government by prioritizing the prosperity of the community by continuing to prepare quality human resources to improve community welfare, starting from training and various capital facilities, are some of the programs that have been carried out by the Gorontalo district government.

Gorontalo Regency has the determination to become a region as a center for the development of science, as a condition for the progress of a region. The declaration of Limboto City as *Madinatul 'Ilmi* was carried out by the Minister of Religious Affairs Lukman Hakim Saifuddin at that time, in conjunction with the implementation of the Indonesian Mosque Council (DMI) Rakerwil. Minister of religious affairs Lukman Hakim Saifuddin appreciated the declaration of Limboto City as *Madinatul 'Ilmi*. According to him, this is very relevant in the current context where life

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[3] Siti Indayani, Budi Hartono, " Analysis of Unemployment and Economic Growth as a Result of the Covid-19 Pandemic", *Journal of Economics & Management*, vol. 18, no. 2 September (2020).

[4] Efrinaldi Efrinaldi, "Paradigma Politik Islam: Prototipe Negara Madinah Dan Prinsip-Prinsip Politik Kenegaraan," *Al Imarah: Jurnal Pemerintahan Dan Politik Islam*, vol. 2, no. 2 (2019).

[5] Muhammad Syarif, Muhamad Aswin, and Ali Imron, "The Impact of the Implementation of Regional Autonomy on the Village Government System: An Overview of Siyasah Syar'iyyah," *INTERNATIONAL JOURNAL OF CONTEMPORARY ISLAMIC LAW AND SOCIETY*, vol. 4, no. 1 (2022), pp. 57–70.

[6] Moh Arif Novriansyah, "The Effect of Unemployment and Poverty on Economic Growth", *Gorontalo Development Review*, vol. 1, no. 1, April (2018), pp. 59-60.

must be based on science. Science is a condition for us to develop, both ourselves and society as a whole. Hence it is very strategic.

Through this declaration, it is hoped that Gorontalo Regency, whose capital city is Limboto, can become the center of scientific development. According to him, this can be realized in the form of establishing formal educational institutions and can also be characterized by the life of an educated community. The characteristic of an educated society is to have broad insight. Therefore comes wisdom and policy. Wisdom is broader than just knowing. Regent Nelson Pamolangi had earlier conveyed his plan to build an educational satellite city called *Madinatul 'Ilmi.* He said that in applying the concept of the city, the science that must be done is to build a learning atmosphere in the region. The nuances of learning must exist, so we encourage one school, fullday *school* is actually in the framework of *Madinatul 'Ilmi.*

Meanwhile, the economic growth of Gorontalo Regency during 2012-2021 in the last 10 years has fluctuated, in this case, of course, it will be influenced by various factors, one of which is the amount of unemployment. Unemployment will have a negative impact on economic growth and depend on productive people, causing the number of dependency to increase and decrease per capita income.[7] One of the important indicators to determine a prosperous and prosperous society is its income. Unemployment can reduce people's income which in turn can reduce the level of welfare.[8] Based on BPS data, the unemployment rate of Gorontalo Regency is as follows:

Table 2. Open Unemployment Rate Gorontalo Regency Year 2012-2021

Year	Unemployment (%)
2012	3,91
2013	3,27
2014	4,96
2015	3,89
2016	3,62
2017	3,62
2018	3,54
2019	2,98
2020	2,97
2021	3,41

Source: *processed from BPS Gorontalo district in 2022*

Based on data obtained from BPS (Central Statistics Agency) Gorontalo Regency in the period 2012-2021 the open unemployment rate fluctuated every year, in 2012 unemployment was 3.91%, in 2013 the unemployment rate was 3.27%, which reached the highest rate occurred in 2014 with a number of 4.96%, from 2014-2019 the unemployment rate fell again to 3%. Each in 2014 3.89%, 2015 3.62%, 2016 3.62%, 2017 3.54%, in 2018 managed to decrease to 2.98% and the lowest in 2020 reached 2.97% again rose in 2021 to 3.41% due to the pandemic.[9]

This decline and increase is inseparable from government supervision, with the opening of job opportunities even though only part of it is absorbed. The local government is tasked with improving the quality of human resources (job seekers), the article will affect the poverty rate of Gorontalo Regency which will decrease slowly.[10] The factor of high unemployment occurs due to the imbalance between the availability of jobs and labor.

The higher the unemployment rate means that more labor force is not absorbed by the job market, meaning that there is more unemployment. The greater the number of

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[7] Ari Kristin Prasetyoningrum, "Analysis of the effect of Human Development Index (HDI) Economic Growth and Unemployment on poverty", *Journal of Sharia Economics,* vol. 6, no. 2 (2018), accessed June 4, 2021. Sonia Ista Iswari Landapa and Ida Bagus Putu Purbadharmaja, "The Effect of Economic Growth, Foreign Investment, and Human Development Index on Poverty in Indonesia," *International Journal of Innovative Science, Engineering & Technology,* vol. 8, no. 7 (2021), pp. 166–72.

[8] Ali Ibrahim Hasyim, *Macroeconomics*, (Depok:Kencana 2016), 2nd printing, p.198.

[9] Central Bureau of Statistics (BPS) Gorontalo Regency in 2021, retrieved July 14, 2021

[10] Rovia Nugrahani Pramesthi, "The Effect of Unemployment and Inflation on Economic Growth in Trenggalek Regency", *Journal of Economic Education (JUPE),* vol. 1, no. 3 (2013), pp. 1-20

unemployed, the more low-income people who indirectly affect other socioeconomic problems, such as poverty, and inequality.[11] The following is the presentation data of the poor of Gorontalo Regency:

Table 3. Total Percentage of Poor People in Gorontalo Regency Year 2012-2021

Year	Percentage of Poor People (%)
2012	21,31
2013	20,79
2014	21,57
2015	21,05
2016	21,80
2017	21,03
2018	20,55
2019	19,84
2020	18,06
2021	17,56

Source: *reprocessed data from BPS Gorontalo Regency 2021*

The percentage of poor people in Gorontalo Regency in the last 10 years, If you look at the time series, in 2012 the number of poor people reached 21.31, fell to 20.79 in 2013, again rose to 21.57 in 2014 in 2015, 21.05, followed by 2016 the number of poor people rose by 21.80, 2017 fell to 21.03 position , In 2018 it was 20.55 and in 2019 it was 19.84, in 2020 it was 18.06, and in 2021 the number of poor people fell to 17.56. However, when compared to other regions, the hard work of the local government of Gorontalo Regency is still needed in terms of poverty alleviation. This achievement was achieved because of the intervention program rolled out by the Gorontalo Regency government.

The better the economy of an area, the greater the value of income that can be obtained by its residents. In other words, the purchasing power of the population is getting bigger so that in the end more and more poor people spend above the poverty line. High economic growth illustrates that even though development or

investment made by the government and private sector in various fields is quite successful, the impact of these successes include increased public welfare, unemployment and poverty are also much reduced.[12] According to Romi Adetio[13] revealed that the phenomenon of irregular distribution of goods that occurs today cannot be separated from the economic system and the lack of appropriate economic policies, which still occurs dominated by the market economic system (capitalist). The distribution system in capitalist countries turns out to cause injustice and inequality in society and creates poverty for people because this system has implications for the accumulation of wealth in only minority parties.

The Islamic economic system offers an economic distribution system that displays the value of freedom in accordance with religious teachings and the values of justice. This system involves the role of the government in productive and non-productive economic activities, so that distributive justice can be realized. The government is responsible for the eradication of poverty, the state must do so, but the state is also obliged to fulfill the rights of its people.

Regarding the problems of unemployment, poverty, and economic growth, Ning Malihah obtained that economic growth variables have a positive and significant effect on the Human Development Index, unemployment variables have no effect on the Human Development Index, and poverty variables have a negative and significant effect on the Human Development Index.[14] Moh Arif Novriansyah conducted a study that showed that unemployment and poverty affect economic growth in Gorontalo Province. This also corresponds to the results of calculations using simple regression, with the level of significance of all one-sided correlation

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[11] Gorontalo Regency People's Welfare Indicators 2022, BPS KabupatenGorontalo, file:///D:/Indikator%20Kesejahteraan%20Rakyat%20Kabupaten%20Gorontalo%202019.pdf.

[12] Sudrajat, M.M, *Tips for Overcoming Unemployment & Poverty Through Entrepreneurship*, (Jakarta: Bumi Aksara, 2011), 1st printing, p.10

[13] Romi Adetio Setiawan, "The Relevance of Ibn Taymiyyah Economics in Addressing Poverty and Income Distribution," *Madania: Jurnal Kajian Keislaman*, vol. 20, no. 1 (2016), pp. 13–22.

[14] Ning Malihah, "The Effect of Economic Growth, Unemployment and Poverty on the Human Development Index in the District/City of Lampung Province in 2011-2015", *Thesis of the Faculty of Economics and Islamic Business, 2018* .

coefficients as measured by the probability of producing a number of 0.019.[15]

Furthermore, Gabriella Megawati &; Agus S[16] and Rizki A. &; Deris D,[17] revealed that the unemployment rate has a significant negative effect on poverty, labor has a significant effect on poverty, economic growth has a negative effect on poverty, the unemployment rate does not have a significant effect on poverty through economic growth as well as labor does not have a significant effect on poverty. Economic growth is absent significant influence on open unemployment. Where if there is an increase in economic growth, it cannot be ascertained that it will reduce the open unemployment rate in Indonesia. Meanwhile, Datuk Haji Kassim Haji Md Mansur et .al[18] have another calm view of economic growth and inequality, which reveals that to reduce the level and rate of poverty and inequality, the government (central and regional) must improve the quality of life of rural communities, which is reflected in three main aspects that form the village development index, namely economic, social, and ecological resilience. So if a policy whose goal is focused on poverty alleviation, then poverty reduction and economic growth at the same time must be taken into account as the ultimate goal.

Gorontalo Regency is geographically classified as an area that has a larger population than other districts, has an area of 1,750.83 with the largest population in Gorontalo Province, which is 355,988 people or 34.22% of the total population of Gorontalo province. In Gorontalo Regency[19], it can be seen that the district with the largest

area is Bongomeme which is 257.73 km2 or 12.13%, while the district with the smallest area is Tilango district which is 5.62 km2 or 0.26% of the area of Gorontalo Regency.

Previous data described above shows that poverty in Gorontalo Regency has decreased from the previous year, but poverty in Gorontalo Regency is still relatively high from several districts in Gorontalo province. Likewise, the problem of economic growth must be solved so that it is not only limited to numbers with important meaning, namely by identifying economic sectors that have the potential for competitive competitiveness and specialization. This will be important because of the potential that is presumably unknown so that it is difficult to develop. Therefore, the author considers it necessary to analyze the effect of unemployment and poverty on economic growth in Gorontalo Regency, will discuss the indirect influence between unemployment and poverty on Gorontalo Regency economic growth in 2012-2021.

Method

This type of research uses quantitative approach methods. According to the formulation of the problem in this study, this research is based on explanatory research. This study can explain the location and relationship of variables between one variable and another. The location of the study is in Gorontalo Regency by taking the object of research is the unemployment rate, poverty and economic growth, in the form of a display of written data.

The type of data collected in this study is a form of quantitative data, namely time series data from unemployment, poverty and economic growth in 2012-2021. Data obtained BPS data and other valid documents. The data which is secondary data is obtained from BPS and data from Bappeda is taken through the websites of PEMDA and BPS agencies. In quantitative research, the data analysis techniques used are clear, which are directed to answer the problem formulation or test the hypothesis that has been formulated in the proposal. Because the data is quantitative, the data analysis technique uses

[15] Moh Arif Novriansyah, *The Effect of Unemployment and Poverty on Economic Growth,* Gorontalo Development Review, vol. 1, no. 1 (2018), pp. 59-7.

[16] Gabriella Megawati Prasetya &; Agus Sumanto, "The Relationship Between Unemployment, Poverty and Labor to Economic Growth", *PERFORMANCE: Journal of Economics and Management,* vol. 19, no. 2 (2022).

[17] Rizki Ardian &; Deris Dermawan, "The Effect of Economic Growth on Open Unemployment Rate in Indonesia", *Journal:EBISMEN,* vol. no. 3 (2002).

[18] Datuk Haji Kassim Haji Md Mansur et al., "THE SUCCESS IN ACHIEVING WEALTH CREATION AND SOCIAL WELLBEING THROUGH SABAH DEVELOPMENT CORRIDOR (SDC)," n.d.

[19] RPJM Gorontalo Regency Year 2014-2021, retrieved July 13, 2021. https://sippa.ciptakarya.pu.go.id/sippa_online/ws_file/dokumen/rpi2jm/DOCRPIJM_4b5b51df6f_BAB%20IIBAB%202.pdf

statistical methods that are already available.[20] The analysis used in this study is multiple linear regression analysis, to prove the influence of unemployment (X1) and poverty (X2) variables on economic growth (Y) in Gorontalo Regency which will be used regression equation.

The form of multiple linear regression equations used can be formulated:

$$Y = \beta_0 + \beta_1 X_1 + \beta_2 X_2$$

Y   : Economic Growth

X1   : Unemployment

X2   : Poverty

β_0 : intercept, a constant that is the average of Y, if other variables are considered constant

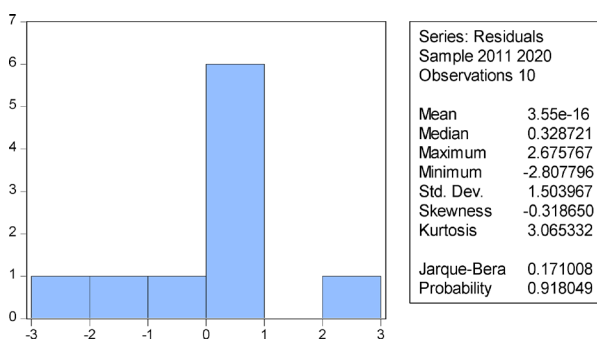β_1, β_2 : Regression coefficient for variables.

To facilitate the calculation process, hypothesis testing will be used with computer assistance using the Eviews 9 facility.

Results and Discussion
Results of Data Analysis

Classical Assumption test, this test aims to determine whether the residual values that have been standardized in the regression model are normally distributed or not. This test is carried out by looking at the Jarque-Bera value and the probability value (P-Value), the test results produce the following output:

Figure 1. Normality Test Estimation Results

Source: *Data Processing Results, Eviews 9*

The estimated results of the normality test show that the test is normally distributed because the jarque-fallow value is smaller than 2, which is 0.171008, which means it is not significant and the probability value is greater than 0.05, which is 0.918049.

Autocoorelasssy test, this test aims to determine wether there is a correlation between members of a series of observation data described according to time (time series) or space (cross section). This test uses the Durbin Watson Test method, which produces the following output:

Table 4. Durbin Watson Eviews Data Processing Results

R-squared	0.241069	Mean dependent var	3.55E-16
Adjusted R-squared	-0.366076	S.D. dependent var	1.503967
S.E. of regression	1.757825	Akaike info criterion	4.272885
Sum squared resid	15.44975	Schwarz criterion	4.424177
Log likelihood	-16.36442	Hannan-Quinn criter.	4.106917
F-statistic	0.397053	Durbin-Watson stat	1.832216
Prob (F-statistic)	0.804175		

Source: *Data Processing, Eviews 9*

Heteroscedasticity test, this test shows to test whether in the regression model there is an inequality of variance and residual one observation to another. If the variance of the residuals of one observation to another remains, then it is called homoscedasticity or heteroscedasticity does not occur.

Table 5. Test Heteroscedasticity Estimation Results: *White*

Heteroskedasticity Test: White			
F-statistic	33.52655	Prob. F(5,4)	0.0023
Obs*R-squared	9.766944	Prob. Chi-Square(5)	0.0821
Scaled explained SS	3.775173	Prob. Chi-Square(5)	0.5822

Source: Data Processing, Eviews 9

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[20] Sugiyono, *Quantitative, Qualitative,* and R&D *Research Methods,* (Bandung: alfabeta, 2018), 28th printing, p. 243.

Table 6. Multicollinearity Test Results

Variable	Coefficient Variance	Uncentered VIF	Centered VIF
C	63.84634	219.5407	NA
UNEMPLOYMENT	1.714498	80.81476	1.409717
POVERTY	0.215928	309.0712	1.409717

Source: Data Processing, Eviews 9

Hypothesis Testing

This test was carried out to determine the dependent variable with the independent variable, in this study the researcher wanted to see the effect of unemployment and poverty on economic growth. Test the existing hypotheses in this study requires statistical analysis of previously obtained data. The statistical analysis used in this study is multiple linear regression analysis Test (t), Test F, and R2 The results of the resulting analysis are:

Table 7. Multiple Regression Analysis Results

Dependent Variable: ECONOMIC GROWTH
Method: Least Squares
Date: 06/24/21 Time: 16:30
Sample: 2011 2020
Included observations: 10

Variable	Coefficient	Std. Error	t-Statistic	Prob.
C	-18.39179	7.990390	-2.301739	0.0549
Unenployment	-0.481626	1.309388	-0.367825	0.7239
Poverty	1.300224	0.464681	2.798102	0.0266
R-squared	0.579921	Mean dependent var		6.308000
Adjusted R-squared	0.459899	S.D. dependent var		2.320454
S.E. of regression	1.705338	Akaike info criterion		4.148729
Sum squared resid	20.35724	Schwarz criterion		4.239504
Log likelihood	-17.74364	Hannan-Quinn criter.		4.049148
F-statistic	4.831774	Durbin-Watson stat		2.186962
Prob (F-statistic)	0.048046			

Source: Data processing

Significant test results (T Test), to determine whether or not there is an influence of individual independent variables in explaining the dependent

variable. Hypothesis testing t-statistics in detail. With the test criteria at a confidence level (confidance interval) of 95% (α = 5%), as follows: 1) Ho is accepted, if the probability value (significance) > 0.05. 2) Ha is accepted, if the probability value (significance) < 0.05. can be described as follows:

Table 8. Partial Test Estimation Results (t)

Variable	Coefficient	Std. Error	t-Statistic	Prob.
C	-18.39179	7.990390	-2.301739	0.0549
UNEMPLOYMENT	-0.481626	1.309388	-0.367825	0.7239
POVERTY	1.300224	0.464681	2.798102	0.0266

Source: *Eviews 9 Data Processing Results*

From the table above, it can be seen that, Unemployment, the coefficient value of -0.481626 negatively affects economic growth with a confidence level of 5%. With the value of Prob = 0.7239 > α (0.05), it can be concluded that unemployment has no significant effect on economic growth. Poverty, has a positive effect on economic growth with a confidence level of 5% Probability = 0.0266 <), it can be concluded that Poverty has a significant effect on Economic Growth. α (0.05).

Results of simultaneous significance testing (F test), This test aims to determine the extent to which the independent variable found is able to explain the dependent variable.

Table 9. Results Simultaneous significance test (F test)

R-squared	0.579921	Mean dependent var	6.308000
Adjusted R-squared	0.459899	S.D. dependent var	2.320454
S.E. of regression	1.705338	Akaike info criterion	4.148729
Sum squared resid	20.35724	Schwarz criterion	4.239504
Log likelihood	-17.74364	Hannan-Quinn criter.	4.049148
F-statistic	4.831774	Durbin-Watson stat	2.186962
Prob (F-statistic)	0.048046		

Source: *Data Processing, Eviews 9*

From the results of testing the data above, the results of the F test were obtained, with a Prob (F-statistic) value of < α which is 0.048046, because

the probability value is small from α 0.05 (0.048046 < 0.05), then from two dependent variables, namely unemployment and poverty, simultaneously have a significant effect on the economic growth of Gorontalo Regency in 2012-2021.

Test results of the coefficient of determination (R^2), The coefficient of determination (R^2) aims to determine how far the variance of the independent variable can explain well the variance of the dependent variable. Here are the results of the determination test (R^2):

Table 10. Test Results of Coefficient of Determination R^2

R-squared	0.579921	Mean dependent var	6.308000
Adjusted R-squared	0.459899	S.D. dependent var	2.320454
S.E. of regression	1.705338	Akaike info criterion	4.148729
Sum squared resid	20.35724	Schwarz criterion	4.239504
Log likelihood	-17.74364	Hannan-Quinn criter.	4.049148
F-statistic	4.831774	Durbin-Watson stat	2.186962
Prob(F-statistic)	0.048046		

Source: *Data Processing Results, Eviews 9*

From the calculation results in table 4.6 that R^2 is 0.580, meaning that the variance of all independent variables (unemployment and poverty) can be influenced by the dependent variable (Economic Growth) by 58% (0.580). While the remaining 42.% (0.420) was influenced by other variables outside the study such as: Human resources, natural resources, science and technology, culture, and capital resources.

The Effect of Unemployment on Economic Growth of Gorontalo Regency

Based on the results of the analysis that has been conducted, unemployment does not have a significant effect on the economic growth of Gorontalo Regency in 201 2-2021. The unemployment rate of Gorontalo Regency is below 5% following the trend of the unemployment rate in Gorontalo Province, which is below 5% as well. Unemployment is caused, among others, because

the number of jobs in the Gorontalo Regency area is smaller than the number of job seekers. It is also caused by the job search process where there is competition in the job market and information is lacking. This can be seen in the table below:

Table 11. Open Unemployment Rate Gorontalo Regency And Gorontalo Province in 2012-2021 (Percent)

Year	Gorontalo Regency	Province Gorontalo
2012	3,91	4,68
2013	3,27	4,44
2014	4,96	4,15
2015	3,89	4,18
2016	3,62	4,65
2017	3,62	3,88
2018	3,54	2,76
2019	2,98	4,28
2020	2,97	4,03
2021	3,41	4,06

Source: BPS Processing Gorontalo Regency

Another thing that can be used as a reason based on table 12 that unemployment does not have a significant effect on the economic growth of Gorontalo Regency in 2012-2021 is that the percentage or ratio of unemployment to the number of relatively small population does not encourage aggregate consumption, which is why unemployment does not have an impact on economic growth. Of this population, many are dominated by the agricultural sector which has no direct impact. In Gorontalo Regency also the unemployment rate is caused because, most people prefer to sort out jobs. They prefer jobs that match their completed abilities. The following is the data on the Number of Population of Gorontalo Regency Aged 15-65 years:

Table 12. Number of Population of Gorontalo Regency Year 2012-2021 Age 15-65 years

Year	Number of Productive Age Population 15-65 Years	(%)
2012	703.986	0,06
2013	541.106	0,05
2014	550.004	0,08

2015	558.862	0,06
2016	576.482	0,05
2017	576.482	0,05
2018	585.210	0,05
2019	593.871	0,04
2020	602.436	0,05
2021	591.349	0,05

Source: BPS Gorontalo Regency

The ever-increasing number of unemployed is a serious development problem. With the increase in unemployment in Gorontalo Regency, in general, it can be caused by the growth in the number of job opportunities available so far cannot keep up with the growth in the number of labor force that continues to increase. The following is the data on Gorontalo Regency employment indicators for 2012-2021.

Table 13. Employment Indicators (Percent) Gorontalo Regency in 2012-2021

Tahun	Employment Rate	Labor Force Participation Rate	Open Unemployment Rate
2012	95.12	64.03	3,91
2013	95.15	64.12	3,27
2014	95.85	64.14	4,96
2015	95.56	66.25	3,89
2016	96.94	66.37	3,62
2017	97.24	67.89	3,62
2018	96.34	70.44	3,54
2019	96.38	72.90	2,98
2020	96.53	72.43	2,97
2021	96.41	66.76	3,41

Source: BPS Gorontalo Regency 2021

The labor force participation rate can be used as an indicator of the labor force's level of difficulty in obtaining employment. Low Labor Force Participation Rate figures indicate the small number of job opportunities available to the working-age population. Conversely, a high Labor Force Participation Rate indicates the magnitude of available job opportunities. From the data above, it can be seen that the percentage of labor force participation rate in Gorontalo Regency from 2012

to 2021 has increased every year, this is due to the large number of job opportunities available in Gorontalo Regency.

An imbalance between supply and demand in terms of quantity and quality can lead to serious unemployment consequences. Very long and structural unemployment usually negatively affects the environmental, social, economic and political development of a country. Structural unemployment has a major impact on the realization of public welfare and the country's development prospects.

Factors causing unemployment are: a) the size of the labor force that is not balanced with employment opportunities (at least employment that accommodates job seekers); b) unbalanced employment structure (uneven employment); c) the need for the number and type of educated labor and the provision of educated labor are not balanced; d) lack of skills possessed by job seekers e) increasing the role and aspirations of the female workforce in the entire structure of the labor force; f) imbalances in the labor market; g) the provision and utilization of unbalanced regional labor; h) declining economic activity; i) technological advances; j) the decline of the development of an industry;) Stiffness The level of wages and the lazy culture that still plagues job seekers who give up easily.

From the point of view of national development, the impact of unemployment is in the form of 1) Aggregate demand is weak, and humans must work here to survive. Through work, he will earn income that is used to buy goods or services. If the unemployment rate remains high and structural, purchasing power will decrease, which in turn will lead to a decrease in aggregate demand (aggregate demand). 2) Aggregate supply is weak, and a high unemployment rate will reduce aggregate supply. In the long run, the impact of unemployment on total supply can be felt. Although labor can be replaced by capital goods, which can be used to increase total supply, in the market mechanism (interaction of supply and demand), even if production can operate efficiently, if total demand is weak, economic equilibrium occurs at a very low level. Decreasing the rate or scale of production will increase the cost of production per unit, thus weakening the total supply.

The impact of unemployment on economic development is separated into two categories: The following are the effects of unemployment on the country's economy: 1) Unemployment will prevent someone from achieving the highest level of prosperity. 2) Unemployment will lead to a decrease in the income of the national taxation department. This is because a high unemployment rate will cause a decrease in economic activity, thereby reducing people's income. As a result, the taxes that must be paid by the public will be reduced. If tax revenues are reduced, government funds for economic activities will decrease, so development activities continue to decrease. 3) Unemployment will not promote economic growth. The existence of unemployment causes a decrease in people's purchasing power which in turn reduces demand for manufactured goods. This situation will not stimulate investors (entrepreneurs) to expand or establish new industries. Therefore, if the level of investment falls, economic growth will not increase.

While the impact of unemployment on the economy of individuals who experience it and society include: 1) Unemployment can eliminate the livelihood and income of each individual. If a person interferes with the average age of unemployed people, then he clearly has no livelihood. The loss of livelihood and income will lead to social insecurity, because everyone always needs to meet the needs of themselves and their families. 2) Unemployment can deprive you of skills. For example, let's say you are an employee of a company. If you continue to use it, the skills you have will continue to improve. If you don't use it, if you don't work or lose your job, the skills you have will gradually disappear. 3) Unemployment can lead to social and political instability. The high unemployment rate shows that many people are losing income. However, they still have to provide for themselves and their families.

To achieve this goal, they will do everything possible to make ends meet. This will lead to social insecurity such as pickpocketing, robbery and other criminal acts. The high unemployment rate will cause dissatisfaction among the people, which leads to demonstrations, demonstrations. The results of this study are also in line with research conducted by Christiawan Eka Arianto et al, and Heni Wahyuni Widayati, who found that unemployment has an insignificant influence on the economic growth of Jember Regency. If the economic growth of Jember Regency continues to increase, it will increase the demand for final goods and services in all economic units will increase as well The increase in goods and services in an area will indirectly open up new job opportunities in Jember Regency.[21]

The results of this study are also supported by the theory presented by Murni that increasing unemployment can make economic growth decrease because people's purchasing power falls, resulting in lethargy for entrepreneurs to invest. Based on this opinion that there is an influence between unemployment and economic growth. In order for economic growth to be maintained, policies that are not only oriented towards economic growth are needed, but also reduce unemployment by creating new jobs.[22]

This identifies that high and low unemployment depends on the high economic growth rate of a region, especially Gorontalo Regency. In this case, it can be said that the high unemployment rate is due to the lack of employment as in the tourism sector. The tourism sector does not require a lot of labor to attract visitors, visitors will be interested and come because of the beauty of these tourist attractions.

If the unemployment rate in an area is high, it will hinder the achievement of economic development goals. People's income decreases so that people's purchasing power decreases. Rapid population growth without being balanced with economic growth will give a negative result, namely increasing the number of unemployed. If the government continues to provide training to improve human resources, it may be different. If the population increases but the population has intellectual and creative abilities, it will help increase economic growth in the region.

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[21] Christiawan Eka Arianto et.al, *Pengaruh Jumlah Penduduk dan Angka Pengangguran Terhadap Pertumbuhan Ekonomi*, 2021

[22] Rovia Nugrahani Pramesthi, "The Effect of Unemployment…, pp. 1-20.

The Effect of Poverty on Economic Growth of Gorontalo

Poverty has a positive and significant effect on the economic growth of Gorontalo Regency in 2012-2021. Gorontalo Regency fluctuating poverty has decreased every year, namely from 2012-2021. However, in general, it can be seen that the poverty rate of Gorontalo Regency is much higher than the poverty rate of Gorontalo Province. This is clear considering that the poor people of Gorontalo Regency are generally residents who work in the agricultural sector which absorbs the most labor in Gorontalo Regency. Both farmers and fishermen have limited capital and on average they are seasonal labor.

Table 14. Percentage of Poor People in Gorontalo Regency and Gorontalo Province in 2012-2021

Year	Gorontalo Regency (%)	Gorontalo Province (%)
2011	21,31	18,34
2012	20,79	17,22
2013	21,57	18,00
2014	21,05	17,41
2015	21,80	18,32
2016	21,03	17,72
2017	20,55	17,65
2018	19,84	16,81
2019	18,06	15,52
2020	17,56	15,22

Source: BPS Gorontalo Regency 2021

From the data above, it can be seen that the percentage of poor people in Gorontalo Regency tends to decrease from 2012-2022. Poverty in Gorontalo Regency is close to absolute poverty, poor due to helplessness, limited production factors and low productivity. However, when viewed from the data above, the percentage of poor people in Gorontalo Regency looks high when compared to Gorontalo Province over the last 10 years.

The percentage of poor people aged 15 years and over education who graduated from work in the agricultural sector 62.27%, poor people aged 15 years and over working in the informal sector 76.24%, poor people aged 15 years and over did not finish elementary school / equivalent 41.54%. The decrease in the percentage of poor people

is inseparable from the efforts made by the government, both central and local governments to reduce poverty. These data clearly confirm the recent slowdown in poverty as the number of poor people who are out of work continues to grow. More relying on assistance from the government, other than because of obstacles to economic structures that do not open up wide job opportunities.

Based on BPS data from the highest number of poor people who do not work, namely Gorontalo Regency at 42.90 percent., the high proportion is Gorontalo Regency at 53.71 percent, informal sector workers themselves are born from community initiation to maintain their survival. The poverty rate in Gorontalo district is caused by several things, namely underdeveloped areas with minimal natural resources (agriculture) so that there is also a very minimal possibility to be able to maximize resource potential. Another cause is the limited supporting infrastructure, such as schools, as well as economic infrastructure, and roads. This can result in limited access for poor groups to improve their lives. From the social side, poor people generally have a low level of education considering their lack of ability to get access to education. As a result, to reduce poverty takes quite a long time.

Every 1% increase in Poverty will increase economic growth by 1%. A positive sign on the poverty variable indicates that poverty has a positive effect on economic growth and is significant. If the number of poverty increases by 1 percent while unemployment remains, the economic growth rate (Y) will increase. A positive sign (+) indicates a unidirectional relationship between poverty and economic growth, that is, if poverty is high, economic growth will be high. According to research conducted by Moh Arif Novriansyah, it can be said that accelerating economic expansion in an area will effect the poverty level of the area. Economic growth in Gorontalo Regency has decreased relatively every year where poverty tends to decrease from year to year during the same period.[23]

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[23] Moh Arif Novriansyah, "The Effect of Unemployment…, pp. 59-60

This research is also in line with the theory put forward by Todaro, although it does not provide automatic answers to various problems, regarding the relationship between economic growth and poverty concludes that there is a causal relationship between economic growth and poverty. that countries with high economic growth will have high poverty rates, on the other hand, if economic growth is low, the percentage of poor people is also low.

This shows that the poverty rate in Gorontalo Regency is also influenced by economic growth, where economic growth is relatively declining, so that the poverty population tends to decrease. Positive and significant impact on the poverty rate, It is caused by slowing economic growth So what will happen to reduce the demand for labor and not raise workers' wages. This will cause the number of poor people to increase.

The low percentage of poor people in Gorontalo Regency is also caused by several things, namely because there are several intervention programs that have been rolled out by the government. Not a few of the program funds are used only for consumption needs, not production. As a result, the problem of poverty is not reduced but on the contrary it actually increases. Government program policies rolled out in Gorontalo Regency include: 1) social protection, in the form of mass marriage and circumcision, cheap market preparations, distribution of free food for pregnant women, family planning services for underprivileged residents, scholarships and free health services in puskesmas. 2.) Community Empowerment, in the form of funds to develop sub-districts, Rural PNPM, Urban PNPM, social aid in fisheries production; 3) Subsidies: UN subsidies, Raskin stimulant self-help housing; 4) Banking and third parties, in the form of UEB, KUR, KUBERNETES. 5.) Distribution of assets and sustainable livelihoods in the form of expropriation of farmers' land entangled in permits, distribution of saprodi. Poor people generally have relatively low levels of education given the limited ability to access education. As a result, in a short period of time it is very difficult to reduce the poverty rate.

With this assistance, at least it can help the daily needs of the community so that poverty does not increase drastically. The decrease in poverty in Gorontalo district is above one percent every year, this is due to supervision from the government continues to focus on the development of the agricultural, livestock, and fisheries sectors. The policy was enforced because most of the people of Gorontalo Regency are engaged in the agriculture, livestock and fisheries sectors.

The Effect of Unemployment and Poverty on the Economic Growth of Gorontalo Regency

From the results of research that has been conducted that unemployment and poverty together or simultaneously have a significant effect on the economic growth of Gorontalo Regency in 2011-2020. Based on the estimation results, in the future economic growth should no longer be used as a reference as the only indicator of economic progress, but most importantly people's welfare increases. It is precisely what needs to be encouraged by the level of worker productivity and economic sectors that have the effect of improving welfare.

One thing that cannot be ignored to accelerate poverty reduction is to encourage productive sectors as a source of economic growth. So far, the agricultural sector has been the largest contributor to economic formation, there are not many choices that need to be done but to encourage the added value of these commodities that can give birth to the process of economic transformation. Weak economic transformation will hinder the shift in labor structure, as a result of which labor productivity is low.

Mecca said economic growth, unemployment and poverty are intertwined. Without high economic growth, it will make it difficult for the government to create new jobs, causing an increased unemployment rate. Poverty has become a major concern in the development of social policies. Economic growth is an important condition for alleviating people from poverty, although economic growth cannot stand alone to alleviate poverty, but economic growth remains an indicator of regional economic performance.

Conclusion

The results of this study show that unemployment does not have a significant effect on the variable of partial economic growth. This means that when unemployment is high, economic growth is low. This is because the growth rate of the labor force far exceeds the growth rate of employment opportunities in Gorontalo Regency. Poverty has a positive and significant effect on economic growth. This means that if economic growth decreases, poverty also decreases. This is because the poor population of Gorontalo Regency is declining due to several intervention programs that have been rolled out by the government. Unemployment and poverty together (simultaneously) have a significant effect on economic growth. So it can be said that unemployment and poverty are the causes of the high and low economic growth of Gorontalo Regency in 2011-2020.

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