

**International Journal of Economics, Business and Accounting Research (IJEBAR)****Peer Reviewed – International Journal****Vol-4, Issue-1, 2020 (IJEBAR)****E-ISSN: 2614-1280 P-ISSN 2622-4771****<https://jurnal.stie-aas.ac.id/index.php/IJEBAR>****EMPLOYMENT OPPORTUNITIES AND POVERTY LEVELS  
IN PRO V INSI KALIMANTAN TIMUR****Ditha Pradnya Puspita<sup>1</sup> Theresia Militina<sup>2</sup> Aji Sofyan Effendi<sup>3</sup>**

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**Abstract:** Poverty is one factor that concerns a country not least in Indonesia in general and East Kalimantan Province in particular. With the increasing number of poor people in an area being a bad impact on the performance of the government itself, so the government must be able to work to overcome and reduce the number of poor people in the area, one of which is providing opportunities for broad work for the community, the purpose of this study is to analyze several factors that can be used in reducing poverty. In this study there are several independent variables used including infrastructure spending, investment, transfer funds and economic growth and with the dependent variables which are dependent on employment opportunities and poverty levels. In this study using a tool such as SPSS version 22 where to see the direct or indirect relationship between the independent variables on the dependent variable. The analysis test results obtained that the independent variable as a whole has an influence on the employment variable and also on the poverty level variable, the independent variable has a positive and significant effect indirectly on the poverty level variable with the employment opportunity variable as an intermediary.

**Keywords:** *Infrastructure Spending, Investment, Poverty Rate, Economic Growth, Transfer Fund*

**1. Introduction**

Development is a process in which there is progress or improvement, namely efforts to make changes for the better. Basically, a development aims to increase economic growth by means of, among other things, increasing infrastructure development, increasing investment, availability of development funds, so that development will create job opportunities and of course will reduce unemployment and poverty. According to Jhingan (2004) rapid economic growth encourages the provision of infrastructure in the form of economic facilities and infrastructure needed to accelerate economic development. The indicator of economic development lies in economic growth and employment opportunities. The increase in investment activities or domestic or foreign investment in an area is expected to have an impact on the welfare of the community, where with the investment activities can absorb a lot of labor and reduce unemployment, so that people have income to meet their daily needs. People who were previously unemployed will get jobs and income through investment activities. As income increases, the purchasing power of the people who are part of the HDI component will also increase.

Potential wealth of nature in the province of East Kalimantan abundance that comes from the results of forests, plantations, agriculture, fisheries and mining. Sector mining has been able to contribute more than 40 percent of the economy in East Kalimantan with commodities the major oil and gas (Bappenas, 2015: 1) GRDP data Borneo in 2013-2016 showed the province of East Kalimantan has the GDP biggest in comparison with provincial else in Borneo, but the rate

of growth of the economy experiencing a slowdown every year, and the lowest in Borneo. During the period of 2013-2016 East Kalimantan's economic performance had an average growth rate of 0.59 percent. Slowing economic growth in East Kalimantan in 2014 was one of the causes due to the influence of mining production which dominated and negative sector growth (-0.11%). Activity economics major is still to be extractive, utilizing the resources the power of nature is directly (Bappenas , 2015: 1). This slowing down of economic growth has an impact on increasing poverty.

One of the serious problems faced by Indonesia today is the problem of unemployment. Unemployment is a labor problem which has now reached a pretty alarming condition. The number of unemployed and half unemployed has increased. On the contrary, high unemployment and underemployment are wastes of existing resources and potentials, become a burden on families and communities, the main source of poverty, can encourage increased social and criminal unrest, and can hamper long-term development (Depnakertrans, 2004). The increase in unemployment is due to an imbalance in the growth of the labor force and the creation of employment opportunities. The gap between the workforce and employment has an impact on the movement of labor (migration) both spatially between rural-urban and sectoral. This is in line with the statement of Todaro (2000) who explains that the migration is caused by high wages or income that can be obtained in the destination area. Large wage / income disparities between villages or regions and cities encourage rural or regional residents to come and look for work in the city. Job opportunities arise because of investment and efforts to expand employment opportunities are determined by the rate of investment growth, the rate of population growth and the labor force. The development strategy adopted will also affect efforts to expand employment opportunities

The problem of poverty is faced by all countries in the world, especially in developing countries, such as Indonesia. Many negative impacts caused by poverty in addition to the emergence of many social problems, poverty can also affect a country's economic development. High poverty will cause costs to be spent for economic development to be greater which will indirectly hamper economic development in various sectors so that growth must go hand in hand and be planned to create equal opportunity and the sharing of development results . High poverty can illustrate that most people are unable to meet minimum living standards and this situation illustrates the economy of an area experiencing shocks. Poverty can be derived from the level of unemployment in a particular area. However, poverty is not only caused by the absence of work but can also occur due to laziness and differences in the quality of human resources. In addition, the problem of poverty also lies in the uncertainty of the government that gives false promises to ordinary people. And poverty arises due to differences in access to development capital in the regions.

The purpose of the study this is to analyze the influence of shopping infrastructure , investment , transfer of funds , as well as the growth of the economy to the opportunities of work and the level of poverty that exist in the province of East Kalimantan.

## **2. Literature Review**

### **Job Opportunities**

Sagir (1994), gives an understanding of employment opportunities as business opportunities or employment opportunities that are already available to work as a result of an economic activity, thus employment opportunities include jobs that have been filled and employment opportunities can also be interpreted as participation in development. Sukirno (2000), provides an understanding of job opportunities as a condition where all workers who want to work at a

certain wage level will easily find work. The increasing development, the greater the employment opportunities available. This means that the greater the demand for labor. Conversely the greater the population, the greater the need for employment opportunities. The availability of new fields / employment opportunities to overcome the increase in labor supply is one of the targets that must be achieved in regional economic development. These efforts can be realized through increased economic growth, especially *direct investment* in labor-intensive sectors, such as construction, infrastructure and the manufacturing industry. While in the service sector, for example through trade and tourism .

Job Opportunities in this study are the number of people who work based on the number of the labor force who are looking for work in East Kalimantan Province which is expressed in terms of numbers.

### **Poverty Rate**

Poverty is a socioeconomic condition of a person or group of people whose basic rights are not fulfilled to maintain and develop a dignified life. Basic needs that are the right of a person or group of people include food needs, health education, housing, clean water, land, natural resources, the environment, a sense of security from the treatment or threat of violence, and the right to participate in the administration of social and political life. This so-called poor condition also applies to those who work but their incomes are insufficient to meet their basic needs. According to Suharto (2009 ) explains that poverty is associated with material shortages , low income and the existence of social needs. So the poor group is where a person cannot fulfill his needs because of low income.

The poverty level in this study is the percentage of poor people found in the province of East Kalimantan expressed in terms of a percentage.

### **Infrastructure Expenditures**

Infrastructure is a concept of infrastructure development by taking into account the balance between meeting infrastructure needs in the present and the future ( Iwan PK, et al, 2008 ). Infrastructure is a (physical) support facility so that regional economic development can be realized. According to a scientific study conducted by Friawan (2008) it is explained that infrastructure is very important in economic integration, namely: *first* , the availability of good infrastructure is the main engine triggering economic growth. *Second* , to obtain the full benefits of integration, the availability of infrastructure networks is very important in expediting trade and investment activities. *Third* , attention to infrastructure improvement is also important to overcome the economic development gap between regions. With the improvement of infrastructure, it is expected to facilitate the mobility of economic work between regions, which in turn will attract investors to invest in the region, which means it will create new job opportunities because of the emergence of new activity units. In the end, infrastructure improvements will improve development conditions. Improved development conditions will have an effect on increasing people's welfare and poverty alleviation. Haughwout (2001) in his research stated that infrastructure can significantly improve social welfare. According to Kurniawan (2014) in his study stating that road infrastructure affects the welfare of the community, the condition of the road surface very significantly influences the improvement of welfare in an area.

Infrastructure expenditure in this study is the total regional expenditure used for the development purposes of the Province of East Kalimantan expressed in rupiah units.

### **Investation**

Investment is the association of sources in the long run to generate profits in the future (Mulyadi, 2001 ). Sukirno (2000) explains that foreign capital can enter a country in the form of private capital and state capital. Private foreign capital is divided into three types, namely direct investment, indirect investment and export loans. Direct investment means the flow of private capital from developed countries to developing countries and supervises the assets they have in the recipient countries. Whereas indirect investment, better known as portfolio investment, is investment in the form of ownership of long-term loan documents (*bonds*) and shares of companies in developing countries and types of export loan capital are defined as short-term loans, that is, it provides an opportunity for entrepreneurs or the government to purchase capital equipment and equipment in the form of credit that must be paid within five years.

Private investment in this research is the realization of domestic investment (PMDN) and foreign investment (PMA) in East Kalimantan Province which is canceled in rupiah units.

### **Funds Transfer**

Transfer funds are funds sourced from APBN revenues, which are allocated to regions to finance regional needs in the context of implementing decentralization. Transfer funds for each region consist of General Allocation Funds (DAU), Special Allocation Funds (DAK), and Revenue Sharing Funds (DBH). Transfer funds in this study are funds sourced from APBN revenues allocated to the regions to finance the needs of the Province of East Kalimantan which are expressed in rupiah units.

### **Economic Growth**

According to Prasetyo (2003), the simplest term of economic growth can be interpreted as an increase in output or an increase in aggregate national income over a certain period of time for example one year. A country's economy is said to have experienced growth if the amount of real remuneration for the use of factors of production in a certain year is greater than in previous years. Thus the notion of economic growth can be interpreted as an increase in the production capacity of goods and services . Each region in carrying out development always expects high economic growth accompanied by equity, so that it will improve the welfare and quality of life of its people. The success or failure of economic development in a region can be seen from the level of community welfare marked by increased consumption due to increased income. In reality, the level of community welfare has never been achieved in the field due to internal problems such as income inequality between people, regional disparity and economic disparity. While external problems such as competition between regions, both between regional and national regions.

Economic Growth (X4) is the relative change in the real value of the Gross Regional Domestic Product (GRDP) in the Province of East Kalimantan on the basis of constant prices expressed in percent units

### **Infrastructure Spending on Job Opportunities and Poverty Rate**

Infrastructure can be interpreted as public facilities and infrastructure. Facilities are generally defined as public facilities which include roads, hospitals, bridges, water, telephone, electricity and others. In economics, infrastructure is a form of *public capital* that is formed from investments made by the government ( Hapsari, 2011 ). Infrastructure expenditure has a relationship with employment, and has an important role in an area in facilitating economic activities and prosperity of the community. Capital expenditure carried out by the government is

believed to be able to move the real sector, absorb labor, increase public and government consumption, and trigger production activities ( Nugraheni, 2012 ). The infrastructure sector is the main inductive factor that can facilitate economic activity in Malaysia ( Suleiman and Albiman, 2014). Haughwout (2001) states that infrastructure can significantly improve social welfare in urban areas in America. According to Kurniawan (2014) road infrastructure affects the welfare of the community, road surface conditions very significantly affect the improvement of welfare in an area. Improving the quality of the road surface will encourage economic growth and ultimately be able to increase the income of the population.

The availability of infrastructure in an area is very important, to be able to attract investors to invest in the area so that it will have an impact on economic growth. Sukirno (2012) states that economic growth explains or measures the achievements of an economic development. In actual economic activities economic growth means the physical development of goods and services in force in a country, such as the increase and amount of industrial goods production, infrastructure development, the number of schools, the increase in service sector production and the increase in production of capital goods.

H1: Infrastructure expenditure directly has a significant effect on employment opportunities in East Kalimantan Province

H5: Infrastructure expenditure directly has a significant effect on poverty levels in East Kalimantan Province

H10: Infrastructure expenditure indirectly has a significant effect on poverty levels through the employment opportunity variable in East Kalimantan Province.

### **Private Investment in Job Opportunities and Poverty Levels**

Investment can be interpreted as expenditure or investment expenditure or company to buy capital goods and production equipment to increase the ability to produce goods and services available in the economy. This increase in the number of capital goods allows the economy to produce more goods and services in the future. Sometimes investments are made to replace capital goods that are already thirsty and need to be depreciated (Sukirno, 2012). Foreign investment (PMA) is one of the efforts in increasing economic development sourced from abroad. Batarseh and Ananzeh (2015) stated that investment sourced from PMA is also an important element to develop the economy, not only because of the increased supply of capital, but also helps in the formation of human capital and technology. So to know the employment opportunity process must be known in advance investment projects in the future. In order to realize investment development, the government provides various facilities to be able to attract investors in the economic sectors desired by the government to be able to develop. The provision of facilities is based on all fields of business, the location of community needs for these products, the level of technology used, employment and others. One of the main keys to economic growth. On the one hand investment reflects effective demand and on the other hand investment also creates productive efficiency for future production. The investment process results in an increase in a region's output. Investment is needed to meet population demands and increasing employment opportunities. With the increase in investment, new job opportunities will be created, which in turn will absorb labor, thereby reducing unemployment.

H2: Private Investment directly has a significant effect on employment opportunities in East Kalimantan Province

H6: Private Investment directly has a significant effect on poverty levels in East Kalimantan Province

H11: Private Investment indirectly has a significant effect on poverty levels through the employment opportunity variable in East Kalimantan Province

### **Funds Transfer to Job Opportunities and Poverty Levels**

The area is also eligible to receive funds transfer or Fund Balance which is funding the area which is sourced from the state budget that consists on Fund Share (DBH), the Fund Allocation General (DAU), and Fund Allocation Special (DAK). Fund Balance in addition is intended to help the Regions in the finance authority , also aims to reduce the imbalance source of funding of government between central and regional governments as well as to reduce the gap funding of government between a Region. The third component of the Fund Balance is a system of transfer of funds from the Government and is an entity that is intact . One of the objectives of development is improving the welfare of its people which means also the progress in the decline in the level of poverty . Through autonomous regions , where each region has the authority are more spacious and ability financially that much better the expected ability of the region to provide services basic to society will be further increased .

H3: Transfer funds directly have a significant effect on employment opportunities in East Kalimantan Province

H7: Transfer funds directly have a significant effect on poverty levels in East Kalimantan Province

H12: Transfer funds indirectly have a significant effect on poverty levels through the employment opportunity variable in East Kalimantan Province

### **Economic Growth against Job Opportunities with Poverty Rate**

According to Tambunan (2001) states that the growth of the economy without coupled with the addition of a chance of work will lead to imbalance in the distribution of additional revenue that (*ceteris paribus*), which subsequently will create a condition of growth of the economy with an increase in poverty . Growth and poverty have a very strong correlation , because in the early stages of the development process the poverty level tends to increase and as it approaches the final stage of development the number of poor people gradually decreases .

H4: Economic Growth directly has a significant effect on employment opportunities in East Kalimantan Province

H8: Economic growth directly has a significant effect on poverty levels in East Kalimantan Province

H13: Economic Growth indirectly has a significant effect on poverty levels through the employment opportunity variable in East Kalimantan Province

### **Job Opportunities with Poverty Rate**

Job opportunities (*employment*) is an opportunity created by the particular economic development, in the sense that the job opportunities that might have been filled or unfilled. According to Esmara (in Lapian, 201 5) provides a definition of employment opportunities is the number of people who work or people who have gotten a job, the more people who work the more extensive job opportunities. The creation of employment opportunities or broad employment is expected to be able to absorb labor, so that the working population earns income, where income is an element that is found in a prosperous society which is shown through the Human Development Index (HDI), *United Nations Development Program* (UNDP) starting in 1990 has developed an indicator of human well-being that can show human progress based on

factors, such as average life expectancy, average length of schooling, literacy rates, and overall well-being.

H9: Job opportunities directly have a significant effect on poverty levels in East Kalimantan Province

### 3. Research Method

In this study, the research center in this case is the scope of the Province of East Kalimantan. While the period of data to be examined is 2008 until 2017. In this study the data collection technique used is library research, namely the process of collecting data related to the object data under study including the recording of research data that has been carried out by related parties on the object under study such as the Central Statistics Office (BPS) of East Kalimantan Province. The additional information outside the variable data under study will be considered as secondary data.

The analysis model used in this study is the *Path Analysis* model. This analysis is used to determine the direction of the relationship between the independent variable with the dependent variable whether each variable is positively or negatively related and to predict the value of the dependent variable if the value of the independent variable has increased or decreased.

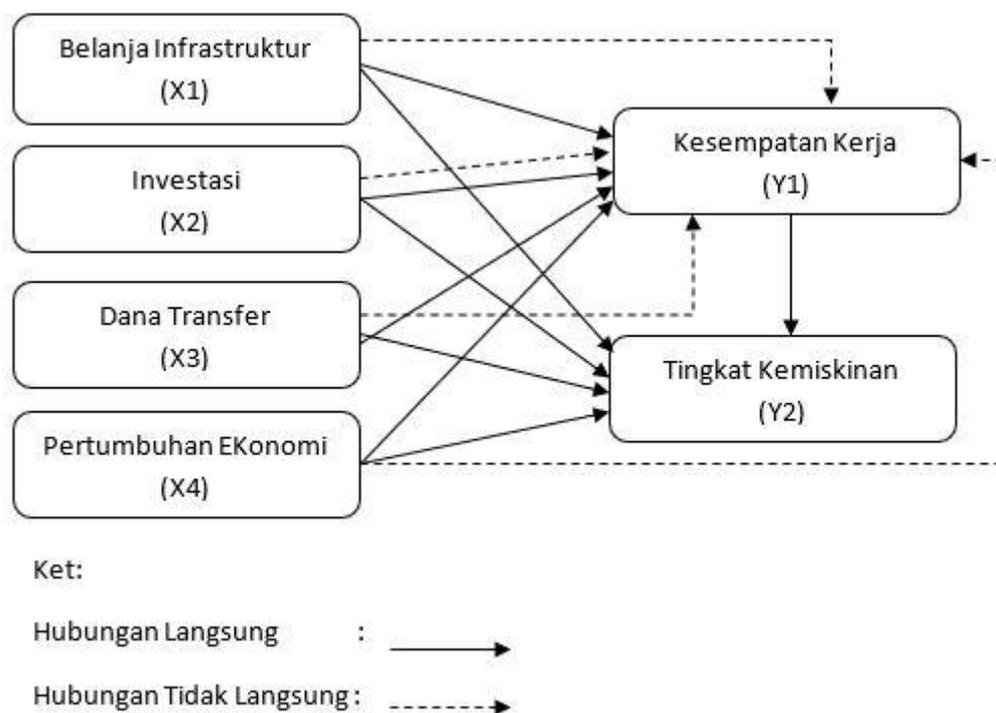


Image Research Concept Framework

In this research, quantitative data will be processed and analyzed using the IBM SPSS Statistics 21 program package

### 4. Results and Discussion

#### 4.1 Result

In this hypothesis test carried out with the aim to partially know the influence of the independent variables consisting of Infrastructure Expenditures (X1), Investment (X2), Funds Transfer (X3),

and Economic Growth (X4) on the dependent variable, namely Job Opportunities (Y1). The output results can be seen in the following table:

**T Test Output Table (Dependent Variation of Employment Opportunities)**

Model		Unstandardized Coefficients		Standardized Coefficients	t	Sig.
		B	Std. Error	Beta		
1	(Constant)	8.007	1,333		6,005	0.002
	Shopping. Infrastructure	1,055	0.071	0.120	5,776	0.013
	Investation	.186	0.028	1,143	6,550	.001
	Funds Transfer	1,405	.222	.374	4,824	0.028
	Pertum. ECONOMY	1,098	0.027	0.553	3,561	0.016

*Source: Data processed 2019*

From the results of the analysis test with SPSS to see the partial relationship between the independent variables on the dependent variable namely job opportunity (Y1), it can be described as follows:

1. Based on the table above, it is known that the variable expenditure for infrastructure (X1) has a positive and significant effect on the variable of Job Opportunities (Y1). This can be seen with the acquisition of a value of 5.776, greater than the value of t table of 3.182 with a significance value of  $0.013 < 0, 05$ .
2. Obtaining the test value for the Investment variable (X2) against the Employment Opportunity variable (Y1) of  $6,550 > 3,182$  with a significance of  $0.001 < 0.05$ . So it can be concluded that the investment variable has a positive and significant effect on the employment opportunity variable.
3. The acquisition value of Variable Funds Transfer (X3) on Job Opportunities (Y1) is  $4,824 > 3,182$  with a significance value of 0.028. So it can be said that the variable Transfer Fund (X3) has a positive and significant effect on the Employment Opportunity variable (Y1).
4. The acquisition value of t arithmetic for the relationship of the variable Economic Growth (X4) to the Employment Opportunity variable (Y1) is  $3.581 > 3.182$  and for the significance value of 0.016. So it can be said that the Economic Growth variable has a positive and significant influence on the Employment Opportunity variable.

In this two-structure hypothesis test, a test will be conducted to see the partial effect of the independent variable on the dependent variable, namely the poverty level (Y2). The output from spss is as follows:

**Table 5.8. T Test Output Results (Poverty Dependent Variable)**

Model		Unstandardized Coefficients		Standardized Coefficients	t	Sig.
		B	Std. Error	Beta		
1	(Constant)	2,698	3,926		.687	0.030
	Shopping. Infrastructure	1,031	0.077	0.121	6,399	0.010

Investation	2,016	0.090	1,175	5,175	0.030
Funds Transfer	2,405	0.295	.677	7,375	0.041
Pertum. ECONOMY	3,051	0.053	1,523	3,962	0.020
Kesemp. Work	2,505	0.460	1,914	6,098	0.034

*Source: Data processed 2019*

From the results of processing the data used in this study, the results obtained are:

1. Based on the above output, it is known that the Infrastructure Expenditure Variable (X1) has a positive and significant influence on the Poverty Level variable (Y2). This can be seen from the acquisition of a value of  $6.399 > 3.182$  with a significance value of  $0.010 < 0.05$ .
2. The analysis test results obtained that the Investment variable (X2) has a positive and significant effect on the Poverty Level variable (Y2) it can be seen from the acquisition of values where t arithmetic is greater than the t-table is  $5.175 > 3.182$  and with a significance value of  $0.030 < 0.05$ .
3. The results of the analysis test of the data obtained the value of the relationship between the variable Transfer Fund (X3) to the Poverty Level variable (Y2) amounted to  $7.375 > 3.182$  with a significance of  $0.041$ . So it can be said that the variable transfer funds have a positive and significant effect on the poverty level variable.
4. The analysis test results obtained that the variable Economic Growth has a positive and significant influence on the variable Poverty Rate (Y2). This can be seen from the acquisition of t-value of  $3.962 > 3.182$  with a significance value of  $0.020 < 0.05$ .
5. For the test results of the analysis of the relationship between the variable Employment Opportunities (Y1) to the Poverty Rate (Y2), a t-value of  $6.098$  was obtained with a significance of  $0.034$ . So it can be said that the Employment Opportunity variable (Y1) has a positive and significant relationship to the Poverty Level Variable (Y2).

#### Indirect Relations

#### **The Influence of Infrastructure Expenditures on Poverty Rate Through the Employment Opportunity Variable**

The magnitude of the acquisition value of the relationship between the Infrastructure Expenditure variable (X1) to the Poverty Level variable (Y2) is  $0.121$ , and the relationship between the Employment Opportunity variable (Y1) to the Poverty Level variable (Y2) is  $1.914$ . So the indirect relationship between the Infrastructure Expenditure variable (X1) to the Poverty Rate variable (Y2) through the Employment Opportunity variable (Y1) is  $= 0.120 \times 1.914 = 0.230$ . With the results obtained where the acquisition value of indirect relationships is greater than the value of direct relationships  $0.230 > 0.121$ , so it can be said that the Infrastructure Expenditure variable (X1) has a positive and significant relationship to the Poverty Rate variable (Y2) with the Employment Opportunity variable (Y1) as an intermediate variable.

#### **The Effect of Investment on Poverty Levels Through the Employment Opportunity Variable**

The magnitude of the acquisition value of the relationship between the Investment variable (X2) to the Poverty Level variable (Y2) is  $1.175$ , and the relationship between the Employment Opportunity variable (Y1) to the Poverty Level variable (Y2) is  $1.914$ . So the indirect relationship between the Investment variable (X2) against the Poverty Rate variable (Y2) through the Employment Opportunity variable (Y1) is  $= 1.175 \times 1.914 = 2,249$ . With the results obtained where the acquisition value of indirect relationships is greater than the value of direct relationships  $2,249 > 1,175$ , so it can be said that the Investment variable (X2) has a positive and

significant relationship to the Poverty Level variable (Y2) with the Employment Opportunity variable (Y1) as intermediate variable.

#### **The Effect of Funds Transfer on Poverty Rate Through Employment Opportunity Variable**

The magnitude of the acquisition value of the relationship between the Investment Fund variable (X3) to the Poverty Level variable (Y2) is 0.677, and the relationship between the Employment Opportunity variable (Y1) to the Poverty Level variable (Y2) is 1.914. So the indirect relationship between the Investment Fund variable (X3) to the Poverty Level variable (Y2) through the Employment Opportunity variable (Y1) is  $= 0.677 \times 1.914 = 1.296$ . With the results obtained where the acquisition value of indirect relationships is greater than the value of direct relationships  $1.296 > 0.677$ , so it can be said that the Investment Fund variable (X3) has a positive and significant relationship to the Poverty Rate variable (Y2) with the Employment Opportunity variable (Y1) as an intermediate variable.

#### **The Effect of Economic Growth on Poverty Rate Through the Employment Opportunity Variable**

Given the magnitude of the acquisition value of the relationship between the variable Economic Growth (X4) to the Poverty Level variable (Y2) is 1.523, and the relationship between the Employment Opportunity variable (Y1) to the Poverty Level variable (Y2) is 1.914. So the indirect relationship between the variable Economic Growth (X4) to the Poverty Rate variable (Y2) through the Employment Opportunity variable (Y1) is  $= 1.523 \times 1.914 = 2.915$ . With the results obtained where the acquisition value of indirect relationships is greater than the value of direct relationships  $2.915 > 1.523$ , so it can be said that the variable Economic Growth (X4) has a positive and significant relationship to the variable Poverty Rate (Y2) with the Employment Opportunity variable (Y1) as an intermediate variable

## **4.2 Discussion**

### **Influence Spending Infrastructure against Opportunity Employment**

From the test results of the analysis of the data used in this study, the results show that the Infrastructure Expenditure variable (X1) has a positive and significant effect on the Employment Opportunity variable (Y1). The results of this study indicate that the more spending on infrastructure in this case the more development carried out by an area will have an impact on job vacancies, because the more activities in terms of carrying out development will certainly have an impact on the needs of the workforce, so the opportunity to work will more and more. It is demonstrated that the increase in the expenditure of government for spending infrastructure District / City in the province of East Kalimantan impact on giving a value which is significant in terms of the increase in the chance of work . Government expenditure both routine and infrastructure can be a driver in opening employment opportunities for people who need jobs , which will ultimately increase people's income .

Results of the study is similar to the results of research that has been conducted by Hanjono (2011) on the expenditure of government and the chance of work . According to him , on the side of expenditure the government that such expenditure routine and spending infrastructure will encourage acceptance of the community , through the effect of multiplication , where the increase in revenue that encourage consumption and savings societies , as well as an increase in demand as a whole , so it provides a stimulus for manufacturers to add investment and expand capacity of production which consequently will create new job opportunities for the community .

### **Influence Investments against Opportunity Employment**

From the analysis test results it was found that the Investment variable (X2) has a positive and significant effect on the Employment Opportunity variable (Y1). The results of this study indicate that the more investment in an area will have an impact on development and of course it will also affect the needs of the workforce, so the opportunity to work for people in need will be more open.

Results of the study is consistent with a study earlier that showed that the investments have the effect that positively and significantly to the absorption of energy work . It is demonstrated that if the case rise in investment in the province of East Kalimantan, it will lead to the increase of the absorption power of work. Alhiriani (2013: 47) also states that the investments have the effect that positively and significantly to the absorption of energy work. It this can happen when the see the nature of the investment it themselves, which will provide contributions new that the increase in investment will give the effect of which is very positive about the opportunity of work in an area.

### **Effect of Transfer Funds To Opportunity Employment**

From the results of the analysis test, the results show that the Transfer Fund (X3) variable has a positive and significant effect on the Employment Opportunity Variable (Y1). The results of this study indicate that with the transfer of funds received by the region will have an impact on increasing employment opportunities for those in need, transfer funds here are funds provided by the central government to each region to overcome financial problems experienced by the region, transfer funds are usually referred to as funds Special allocation, daerah also eligible to receive funds transfer or fund Balance which is funding Regional sourced from the state budget.

The results of this study are the same as the results of research conducted by Taryono (2014) with the title research on the impact of transfer funds on poverty levels and income distribution in Riau province, where the results obtained are transfer funds which have an influence on reducing poverty in Riau Province.

### **Effect of Growth Economics of Opportunity Employment**

The analysis test results obtained that the variable Economic Growth (X4) has a positive and significant effect on the variable Job Opportunities (Y1). The results of this study can be seen from the acquisition of the analysis test using SPSS. The results of this study indicate that with the advancement of an area, it will certainly have an impact on the economy of the region, East Kalimantan is one of the regions that is experiencing rapid economic growth.

The results of this study are the same as the results obtained by Indrajaya (2016) where the results obtained are that economic growth has a positive and significant impact on employment opportunities, the research was conducted in the Province of Bali.

### **Influence Spending Infrastructure against Poverty Level**

The results of the analysis test of the data used, the results show that the Infrastructure Expenditure variable (X1) has a positive and significant effect on the Poverty Level variable (Y2). The results of this study indicate that the infrastructure spending by local governments in the influence of the availability of funds owned by conducting various specific development its infrastructure will certainly have an impact on employment, so that with the increasing number of workers absorbed will have an impact on unemployment reduced, and the income will reduce the level of poverty, because poverty caused many people still have not had a job and fixed income and also have insufficient income needs of daily life - today.

The results of this study together with the results obtained by Indrajaya (2016), where the results obtained are infrastructure has an influence on kesemp a tan work and social welfare, with improvements in the level of social welfare reflects the level of poverty is declining.

#### **Influence Investment against Poverty Level**

The results obtained that the investment variable (X2) has a positive and significant effect on the poverty level variable (Y2). The results of this study indicate that investment can reduce poverty levels in an area, this can be seen with the increasing number of investments entering an area, of course, it will be in line with the increasing number of jobs that can be created, so that it will have an impact on large labor absorption. Investment is one way in advancing an area, both central and regional governments strive to create a conducive investment climate in the region so that potential investors will invest their capital in a country or region deemed to meet the criteria for investing.

The results of this research are different from the results of research obtained by Endrayani (2016), where the results of the research conducted obtained that investment has no positive and significant effect on poverty levels, the study was conducted in Bali Province.

#### **Effect of Fund Trasfer against Poverty Level**

The analysis test results obtained that the variable Transfer Fund (X3) has a positive and significant effect on the Poverty Level variable (Y2). The results of this study indicate that with the increasing amount of budget obtained by a region will have an impact on the local community, transfer funds in this case are funds provided by the central government to each region, one of which is in the form of a Special Allocation Fund and also an Allocation Fund General, with the increasing amount of funds obtained by the region, it will certainly facilitate the region to carry out various activities, especially in meeting the needs of the community, especially in the provision of jobs.

The results of this study are the same as the results obtained by Taryono (2014) where the results of the study are that the transfer funds have an impact on poverty reduction in Riau Province.

#### **Effect of Economic Growth Against Poverty Level**

The analysis test results obtained that the variable Economic Growth (X4) has a positive and significant effect on the poverty level variable (Y2). The results of this study indicate that with the development of an area will have an impact on the increasing number of people who have jobs and have income and increased purchasing power of the community itself, with the more people who have jobs as a result of economic growth that occurs will also contribute to reducing poverty the area.

The results of the study are different from the results obtained by Mimi Hardini (2017), where from the results of the study found that economic growth has no influence on the unemployment rate, we know that one of the factors of poverty is driven by the increasing number of unemployment in a region.

#### **Effect of Employment against Poverty Level**

The results of the analysis test found that the Employment Opportunity variable (Y1) has a positive and significant effect on the Poverty Level variable (Y2). The results of this study indicate that the greater employment opportunities for the community will have an impact on decreasing the unemployment rate and indirectly can reduce poverty. Increased employment

opportunities will certainly help the community to have a job to earn a steady income and will encourage increased public purchasing power that can lead to economic growth towards a better, with the existence of broad employment opportunities can reduce poverty.

The results of this study are the same as the results of a study conducted by Akhmad Syaihu (2012) who obtained results where employment opportunities have an influence on reducing unemployment, unemployment is one of the factors that play a role in high poverty rates. With the reduction in unemployment, of course, this will also reduce poverty, but the results of this study are different from research conducted by Hardini (2017) where in his research it was found that employment opportunities have no effect on reducing unemployment.

### **The Influence of Infrastructure Spending against Poverty Rate through Employment Opportunities as Intermediary Variables.**

The analysis test results obtained that the Infrastructure Expenditure variable has a positive and significant influence on the Poverty Level variable through the Employment Opportunity variable as an intermediary variable. The results of this study indicate that employment opportunities will be created due to increased spending on infrastructure carried out by the local government, and with the expansion of employment opportunities will be able to reduce the level of poverty caused by the absorption of the community in infrastructure development activities.

The results of this study are different from the results of research obtained by Indrajaya (2016) where the results of the research obtained are that infrastructure has no influence on the welfare of the community, a prosperous society as a picture that the level of poverty has decreased, the main goal for the local government is how to create a society that prosperous.

### **Effect of Investment on Poverty Levels through Employment Opportunities as Intermediary Variables.**

The analysis test results obtained that the Investment variable (X2) has a positive and significant effect on the Poverty Level variable (Y2) through the Employment Opportunity variable (Y1) as an intermediate variable. The results of this study indicate that with more and more investment coming into the region will have an impact on the development of the region, one of which is the availability of jobs for people who do not have jobs and thus will reduce poverty levels in the area.

The results of this study are the same as the results of research conducted by Syaihu (2012) where in the study it was found that there is an indirect effect between private investment and government investment on unemployment through employment opportunities. So that the increasing number of employment opportunities will have an impact on reducing poverty levels.

### **The Effect of Funds Transfer on Poverty Rate through Employment Opportunities as an Intermediary Variable.**

The results of this study showed that variables Funds Transfer (X3) has a positive and significant impact on the poverty rate variable (Y2) with vari a bell Employment (Y1) as intermediate variables. The results of this study indicate that the greater amount of funds received by the region from the center will help the region in creating broader employment opportunities because with the greater amount of funds received it will make it easier for the region to carry out various activities, one of which is infrastructure development which is financed from the transfer of funds received by the increasing number of infrastructure developments, it will certainly create wider employment opportunities for the community and have an impact on reducing poverty levels for the region.

The results of this study are the same as the results of the study obtained by Taryono (2014), the results of the study found that transfer funds have an influence on poverty reduction. With the increasing amount of funds received, it will facilitate the government to carry out various activities that can create jobs that can absorb a large number of workers as well, so that the community will have an income and will certainly have an impact on reducing poverty.

### **The Effect of Economic Growth on Poverty Rate through Job Opportunities as an Intermediary Variable.**

The analysis test results obtained that the variable Economic Growth (X4) has a positive and significant effect on the Poverty Level variable (Y2) with the Employment Opportunity variable (Y1) as an intermediate variable. The results of this study indicate that economic growth that occurs in an area can have a positive impact on the availability of jobs and will certainly affect the reduction in poverty levels.

There is a relationship in two directions that is strong between the growth of the economy and poverty in Indonesia. Growth in the economy affects significantly to the reduction of the numbers of poverty, especially in the area of countryside that many are pockets - pockets of poverty. Conversely poverty also has a significant effect on economic growth. The results of this study differ from the results of research conducted by Hardini (2017) where in the study it was found that economic growth has an influence on employment, but is unable to reduce poverty levels that occur in the Sidoarjo area.

## **5. Conclusion and Suggestion**

### **Conclusion**

Based on the results of the analysis and discussion, the following conclusions can be drawn:

1. Infrastructure spending has a positive and significant effect on employment opportunities in East Kalimantan Province.
2. Investment has a positive and significant effect on employment opportunities in the province of East Kalimantan.
3. Fund transfers have a significant positive and significant effect on employment opportunities in East Kalimantan Province.
4. Growth in the economy affects positively and significantly to the opportunity of work in the province of East Kalimantan.
5. Infrastructure spending has a positive and significant effect on poverty levels in East Kalimantan Province.
6. Private investment has a positive and significant effect on poverty levels in East Kalimantan Province.
7. Fund transfers have a positive and significant effect on poverty levels in East Kalimantan Province.
8. Growth in the economy affects positively and significantly to the level of poverty in the province of East Kalimantan.
9. Opportunity employment impact positively and significantly to the level of poverty in the province of East Kalimantan.
10. Shopping infrastructures are not directly impact positively and significantly to the level of poverty through the variable opportunity working in the Province of East Kalimantan.
11. Investments are not directly impact positively and significantly to the level of poverty through the variable opportunity working in the Province of East Kalimantan.

12. Transfer funds are not directly impact positively and significantly to the level of poverty through the variable opportunity working in the Province of East Kalimantan.
13. Growth in the economy is not directly influenced positively and significantly to the level of poverty through the variable opportunity working in the Province of East Kalimantan.

### **Suggestion**

Based on the conclusions discussed, the authors provide suggestions including:

1. Government areas Province of East Kalimantan is expected to be increase further the development of infrastructure in terms of the provision of facilities and infrastructure for community public.
2. Government of the Province of East Kalimantan in expecting create an atmosphere conducive, to encourage the entry of investors into the region , with a growing number of investment certainly will have an impact on unemployemey the problem of unemployment.
3. Regional governments are expected to further maximize the use of transfer funds received from the center, particularly in the provision of public facilities and also the development of sectors considered to be able to absorb labor so as to reduce unemployment and have an impact on reducing poverty.
4. The level of poverty either the county or municipality in the province of East Kalimantan still need to be minimized although from year to year occurred the increase and decrease although the scale small . Efforts to overcome poverty can be in line with the growth and improvement of well-being as well as the equitable distribution of the gap of social an area by area to another.
5. Investment or investment activities are expected to have a positive impact on improving prosperous society, with investment activities, it will generally create new jobs, so that people who previously did not have a job, can work with it. The Provincial Government of East Kalimantan strives to further enhance foreign direct investment activities in order to create a prosperous society, compared to portfolio investments. Because, if more investments in the field of portfolio such as only involving only financial assets, bonds and stocks, then employment opportunities it will not happen so that people cannot be absorbed in the world of work and do not have income to meet their needs.
6. Since government spending plays an important role in improving the welfare of the people of East Kalimantan, the government should through the budget policy as far as possible create jobs for its population.
7. Private investment is not merely aimed at achieving high growth rates, but must be directed towards broader employment creation.
8. Capital expenditure for the Bina Marga sector, although relatively larger and tends to increase compared to the field of Water Resources and Cipta Karya, is expected in the future in order to create *spillovers* from infrastructure projects directly to the public.
9. Government expenditure through the construction of public works infrastructure is still very much needed as a first step to strengthen and support other sectors such as competitiveness and labor absorption, as well as supporting the flow of goods and services distribution which must be integrated with the center or growth point to increase national productivity.
10. To research further to make reference in this study to conduct similar research, using the existing variables and add other variables that are not included in this study, especially the variables that can affect the level of poverty eg Gross Domestic Product Regional (GDP), unemployment, level of education , population density.

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