DEVELOPMENT OF THE ECONOMIC GROWTH MODEL REDUCING POVERTY IN CENTRAL JAVA INDONESIA

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\textbf{ABSTRACT} \\
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\textbf{Purpose}: Research purposes of analyzing the Human Development Index open unemployment rate to Poverty with intervening variables of economic development in Central Java Province in 2015-2020. \\
Theoretical framework: Human Development measures human development achievements based on a number of basic components of quality of life. Unemployment is a macroeconomic problem that directly affects human survival. Poverty is the inability to meet the minimum standard of living, where the measurement of poverty is based on consumption. The major theory used relates to the Neo-liberal and Social Democracy paradigms. Economic growth has a correlation with the number of poor people, where high economic growth will have an impact on reducing the number of poor people, with the assumption that economic growth is pro-poor. \\
Design/methodology/approach: This research uses a quantitative approach. The analysis uses the website's secondary data published by the Central Statistics Agency. The number of data is 210, processed using AMOS to determine the direct and indirect effects and a Sobel calculator to assess the impact of the intervening variables. \\
Findings: The results showed that the Human Development Index did not significantly impact Economic Growth, the Open Unemployment Rate substantially influenced Economic Growth, and the Human Development Index significantly affected Poverty. Open Unemployment Rate has no significant impact on Poverty. Economic growth has no significant effect on Poverty. The Growth of Economic can not mediate impact human development index on Poverty. Economic growth can not mediate result of the open unemployment rate to Poverty. \\
Research, Practical & Social implications: the research can be carried out in different places with a broader objective. Provincial or district/city governments in Central Java Province as policy material and or policy projections in the future. \\
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DESENVOLVIMENTO DO MODELO DE CRECIMIENTO ECONÔMICO REDUZINDO A POBREZA NA INDONÉSIA CENTRAL DA JAVA

RESUMO


Estrutura teórica: O Desenvolvimento Humano mede as realizações do desenvolvimento humano com base em uma série de componentes básicos da qualidade de vida. O desemprego é um problema macroeconômico que afeta diretamente a sobrevivência humana. A pobreza é a incapacidade de satisfazer o padrão mínimo de vida, onde a medicação da pobreza se baseia no consumo. A principal teoria utilizada está relacionada com os paradigmas Neoliberal e da Social Democracia. O crescimento econômico tem uma correlação com o número de pessoas pobres, onde o alto crescimento econômico terá um impacto na redução do número de pessoas pobres, com a suposição de que o crescimento econômico é a favor dos pobres.

Desenho/método/abordagem: Esta pesquisa utiliza uma abordagem quantitativa. A análise utiliza os dados secundários do site publicados pela Agência Central de Estatísticas. O número de dados é 210, processados usando AMOS para determinar os efeitos diretos e indiretos e uma calculadora Sobel para avaliar o impacto das variáveis intervenientes.

Descobertas: Os resultados mostraram que o Índice de Desenvolvimento Humano não teve um impacto significativo no Crescimento Econômico, a Taxa Aberta de Desemprego influenciou substancialmente o Crescimento Econômico e o Índice de Desenvolvimento Humano afetou significativamente a Pobreza. A Taxa Aberta de Desemprego não tem um impacto significativo sobre a Pobreza. O crescimento econômico não tem um efeito significativo sobre a Pobreza. O Crescimento Econômico não pode mediar o impacto do Índice de Desenvolvimento Humano sobre a Pobreza. O Crescimento Econômico não pode mediar o resultado da taxa aberta de desemprego para a Pobreza.

Pesquisa, implicações práticas e sociais: A pesquisa pode ser realizada em diferentes lugares com um objetivo mais amplo. Governos provinciais ou distritais/cidades na Província Central de Java como material de política e/ou projeções de política no futuro

Originalidade/valor: Os resultados deste estudo podem ser generalizados para diferentes províncias para que possam ser utilizados como material para políticas governamentais para aumentar o índice de desenvolvimento humano, reduzir o desemprego, aumentar o crescimento econômico para que a pobreza diminua.

Palavras-chave: IDH, Taxa de Desemprego Aberta, Crescimento Econômico, Pobreza.

DESARROLLO DEL MODELO DE CRECIMIENTO ECONÓMICO REDUCCION DE LA POBREZA EN JAVE CENTRAL INDONESIA

RESUMEN

Propósito: Propósitos de la investigación de analizar el Índice de Desarrollo Humano tasa de desempleo abierto a la Pobreza con variables intervencionistas de desarrollo económico en la provincia de Java Central en 2015-2020.

Marco teórico: El Desarrollo Humano mide los logros del desarrollo humano sobre la base de una serie de componentes básicos de la calidad de vida. El desempleo es un problema macroeconómico que afecta directamente a la supervivencia humana. La pobreza es la incapacidad de alcanzar el nivel de vida mínimo, donde la medición de la pobreza se basa en el consumo. La principal teoría utilizada está relacionada con los paradigmas neoliberal y socialdemócrata. El crecimiento económico tiene una correlación con el número de pobres, donde un alto crecimiento económico tendrá un impacto en la reducción del número de pobres, con el supuesto de que el crecimiento económico favorece a los pobres.

Diseño/metodología/enfoque: Esta investigación utiliza un enfoque cuantitativo. El análisis utiliza los datos secundarios del sitio web publicado por la Agencia Central de Estadística. El número de datos es de 210, procesados mediante AMOS para determinar los efectos directos e indirectos y una calculadora de Sobel para evaluar el impacto de las variables intervenientes.
Conclusiones: Los resultados mostraron que el Índice de Desarrollo Humano no influyó significativamente en el Crecimiento Económico, la Tasa de Desempleo Abierto influyó sustancialmente en el Crecimiento Económico y el Índice de Desarrollo Humano afectó significativamente a la Pobreza. La Tasa de Desempleo Abierto no tiene un impacto significativo sobre la Pobreza. El Crecimiento Económico no tiene un efecto significativo sobre la Pobreza. El crecimiento económico no puede mediar impacto índice de desarrollo humano sobre la Pobreza. El crecimiento económico no puede mediar resultado de la tasa de desempleo abierto a la Pobreza.

Investigación, implicaciones prácticas y sociales: la investigación puede llevarse a cabo en diferentes lugares con un objetivo más amplio. Gobiernos provinciales o de distritos/ciudades de la provincia de Java Central como material político y/o proyecciones políticas en el futuro.

Originalidad/valor: Los resultados de este estudio se pueden generalizar a diferentes provincias para que puedan ser utilizados como material para las políticas gubernamentales para aumentar el índice de desarrollo humano, reducir el desempleo, aumentar el crecimiento económico para que la pobreza disminuya.

Palabras clave: IDH, Tasa de Desempleo Abierto, Crecimiento Económico, Pobreza.

INTRODUCTION

A country is said to be successful in development if it can overcome development problems in its homeland, one of which is overcoming the problem of Poverty. Poverty, in general, is a problem faced by some members of society who are less fortunate because of something, both personal and other factors, that result in economic powerlessness (Rustanto, 2015). Poverty is a severe problem for national development (Solikatun et al., 2018), even in the international arena. The world discussion about the issue of Poverty is also summarized in the influential agenda of the Sustainable Development Goals (SDGs) on the first goal, namely to reduce Poverty in any form (United Nations, 2018). Almost all countries in the world, both developed and developing, face the problem of Poverty. In the United States, a developed country, at least 34 million people still suffered from Poverty in 2019 (Semega et al., 2019).

From 2015-2020, Indonesia’s poor population in urban and rural areas was an average of 10.17 per cent of the total population (Central Bureau of Statistics, 2020). This figure is comparatively high because the population from year to year has increased. This Poverty is generally related to several factors, such as the quality of human resources and poor economic growth (Ari Kristin Prasetyoningrum, 2018). In addition, the problem of Poverty is also caused by the inequality of income received by the community without being followed by a decrease in the rate of population growth; as a result, the economic condition is getting worse and worse (Ngoyo, 2015; Todaro & Smith, 2006). Mudrajad Kuncoro added that the "cake" of economic development is not can be enjoyed by everyone, but only a small number of people control 10 per cent of GDP (Kuncoro, 2010).

The government and relevant stakeholders must address this poverty problem wisely, including interested community groups. The government’s involvement as a policy maker in policy formulation is significant. However, this policy will significantly influence non-
government actors and factors, such as *pressure groups* and *interest groups* (Winarno, 2014). Poverty can be categorized as a public problem because the problem of Poverty remains a significant problem together and requires special handling so that it does not get worse (Kurniawan, 2004). This poverty problem can also worsen economic conditions. Therefore, the government continues to synchronize with relevant *stakeholders* through its programs to alleviate Poverty in various regions in Indonesia (Wijaya et al., 2018).

Regarding the implementation of regional development, the handling of Poverty will also not escape the implementation of regional autonomy in each autonomous region. Thus, 416 regents, 98 mayors, and 34 governors throughout Indonesia (Putri, 2020) are required to make pro-poverty policies. In each area. Poverty handling is carried out through the regions to know in detail the problems and conditions of Poverty in the field so that the impact can be more evenly distributed and reaches remote areas.

The percentage of the poor population in Central Java Province in 2020 is 11.41 per cent, which tends to decrease from 2015 to 3.58 per cent. This condition has decreased. However, the province of Central Java is still included in the category of provinces with a percentage of poor people above the average national. This is further exacerbated by increased population growth, although it tends to slow down (BPS Central Java, 2020). Nelson and Leibstein (quoted from Sukirno, 2000) state that the rapid population growth in developing countries is due to the level of community welfare. There is no significant improvement, and it even tends to experience a decline in welfare due to the increasing number of poor people.

The conditions faced by the poor in Central Java Province are also, on average, still related to low access to education, health, and capital, in addition to the lack of synergy in poverty reduction programs/activities and the role of the business/private sector is not yet optimal. Thus it is necessary to reduce the poverty rate in Pekalongan Regency so that the community is more prosperous, as research results show a very close relationship between programs carried out by the government to alleviate Poverty and the goals expected by the community (Marfuah, 2007). For this reason, it is necessary to know what indicators can influence Poverty in Pekalongan Regency so that this poverty alleviation solution is more targeted.

One indicator that is thought to be the root cause of development problems, including the problem of Poverty, is the powerlessness of applying conventional economic theory in society. The applied theory has not yielded maximum results, so Poverty and hunger still hit various regions (Syaifullah, 2013). This conventional paradigm only identifies development as economic growth (Kuncoro, 2010), even though development is more than just an increase in
economic growth rates. As Muslims, we should be able to straighten our views on development problems that have developed so far. Economic development in Islam is sustainable development. Comprehensive, not just physical and material needs (Djumadi, 2017), but also includes development by prioritizing human resources for social welfare. Organizing social welfare in an Islamic economy requires a fundamental paradigm to create a just and prosperous society (Arwani, 2015).

Human development is significant in reducing the current poverty level (Arsyad, 2010) because human development in Islam is the focus of business and the heart of development itself (Chapra et al., 1997). For this reason, to measure of human development is based on the Human Development Index (HDI) (Kuncoro, 2010). However, this indicator is not entirely by the development principles (Rafsanjani, 2014).

In addition to the human development aspect, one of the main requirements for economic development is economic growth. Economic growth indicates a high increase in national income so that with increasing economic growth, a region can reduce the level of poverty in that area. The indicator used to measure economic growth in a region is the increase in Gross Regional Domestic Product (GRDP) from period to period. The results of a study conducted by Van Indra Wiguna showed that GRDP hurt poverty in Central Java from 2005-2010 (Wiguna & Sakti, 2012). Economic growth describes an economy developing with a high level of prosperity (Sukirno, 2004). Thus, economic growth in a region shows whether economic growth can contribute to reducing poverty levels in an area.

Meanwhile, if this economic growth does not pay attention to the other side, it can have the opportunity to create new problems, which lead to the problem of poverty. The reason is that this economic growth brings material wealth while growing inequality and increasing social unrest (Fioramonti, 2013). One indication of this social unrest is increasing unemployment in urban and rural areas so that the poverty rate will be more comprehensive (Kuncoro, 2010). The number of unemployed positively influences the increase in the number of poor people, so if this number of unemployed increases, it will also increase poverty in an area (Retnowati, 2017). Therefore, the percentage indicator of the Open Unemployment Rate is used to see how much unemployment is in each region. The purpose of this study was to analyze the effect of the human growth index, open unemployment on poverty mediated by economic growth in the province of Central Java, Indonesia.
LITERATURE REVIEWS

This study uses a grand theory, namely the Neo-liberal and Social Democracy paradigms. According to Mudrajat Kuncoro, poverty is defined as the inability to meet a minimum standard of living, where the measurement of poverty is based on consumption. Based on this consumption, the poverty line consists of two elements, namely (1) expenses needed to buy minimum nutritional standards and other basic needs, and (2) the amount of other needs that varies widely, which reflects the cost of participation in people's daily lives (Machmud, 2016). Most economic literature defines economic growth as a quantitative measure that describes the development of an economy in a given year when compared to the previous year (Sadono Sukirno, 2006). Can be defined as the development of activities in the economy that cause goods and services produced in society to increase (Sadono, 2004). According to Mudrajad, HDI is useful for comparing human development performance both between countries and between regions. The Human Development Index (IPM) is an indicator that explains how residents of a region have the opportunity to access the results of development as part of their rights to earn income, health, education, and so on (Hantika, 2020). According to Sukirno (1994), unemployment is a situation where someone who is included in the labor force wants to get a job but has not got one yet. Someone who is not working but is not actively looking for work is not classified as unemployed (Sukirno, 2004).

The results of the research literature survey were obtained by Saharuddin Didu and Feri Fauzi (2016) using multiple linear regression analysis and the Ordinary Least Square method. The similarities are the variables of economic growth and poverty. While the difference with this study is the existence of intervening variables in economic growth.

Research by Pilipus Bambang Wahyono Putro, et al (2017), the similarity is that they both use the HDI, GRDP variables to see their effect on poverty. However, the difference with this study is in the use of the analytical model used, while the analysis used multiple linear regression instead of using path regression analysis. The similarities are HDI and poverty variables. The difference is that there are intervening variables for economic growth.

Khairul Fadilah (2019) uses secondary data and panel data using Multiple Linear Regression analysis. The equation uses HDI and poverty variables. Meanwhile, the difference is that there is an intervening variable in economic growth Radiatul Fadila, Marwan (2020) uses panel secondary data and Multiple Linear Regression analysis using random and Fixed Effect Models. The equation of this study uses HDI and poverty variables. The difference is that there are intervening variables for economic growth.
MATERIAL AND METHODOLOGY

This type of research is an experimental study measuring related between independent to dependent variables. This type of research was chosen to look for specific effects under controlled conditions (Sugiyono, 2019), then also to see a cause-and-effect relationship (Kuncoro, 2013) because as a result human development index variable, economic growth and rate of open unemployment caused changes in the dependent variable. Poverty in the Regency/City of Central Java Province.

The approach used is descriptive quantitative research. A descriptive approach is intended to describe the object under study systematically and accurately as with the existing facts. This approach was chosen to assist researchers in exploring a more deeply about an object. This research uses much data in the form of numbers, both from the data collection process and its interpretation to data presentation (Arikunto, 2006), to explain the phenomena that occur (Frankel & Norman, 2012). The researcher, in this case, took the research location in Central Java Province. The province of Central Java was chosen because the province has a positive contribution to national economic growth and has many achievements. The research location is 35 districts/cities in Central Java Province by simply looking at the data provided by BPS Central Java Province.

The sample in this study is the same as the population used because this study uses secondary time series data, namely data on the human development index, economic growth, open unemployment, and Poverty in districts/cities of Central Java during the 2015-2020 period. The sample here is to describe the characteristics of the population (Sugiyono, 2009) because it is considered to represent a population with the same characteristics and characteristics.

This study's dependent or dependent variable is Poverty in the Regency /Kotra of Central Java Province in 2015-2020. Because the poverty variable can be influenced by independent variables (Sugiyono, 2014). Thus Poverty (Y) is used as the dependent variable. HDI (X1) and the open unemployment rate (X2 ) are used as independent variables (independent), and the intervening/mediation variable is economic growth (Z).

Sources of data made in this study in the form secondary data, because the data obtained are not directly from the first source (Bungin, 2005) but have been compiled or published as written documents (Suwarwani & Endrayanto, 2012). The data sources used in this study were obtained through the homepage www.bps.go.id, jateng.bps.go.id, www.bappenas.go.id, http://bappeda.jatengprov.go.id/ https://siin.brin.go.id/, and others.
Descriptive statistics are intended to provide an overview of data show from mean, deviation standard, variance, maximum, minimum, sum, range, and so on (Ghozali, 2007). Descriptive statistics are statistics to describe or describe data into information clearer and easier to understand.

Continued path analysis to see models used in a study; this is model causality or connection influence. For the test hypothesis submitted in a study, this technical analysis used is analysis track or path analysis, which operated through the program AMOS. Destination from modelling study through Analysis Track allows a researcher could answer question study which is quite complex. The computer program used to estimate the model is an AMOS program using maximum likelihood estimation. The analysis tracks used for analysis because the model is more complex compared to linear regression multiple; however, each variable is is variable measurable (observed variables).

\[ Z = b_1 X_1 + b_2 X_2 + b_3 X_3 + e_1 \]
\[ Y = b_4 X_1 + b_5 X_2 + b_6 X_3 + b_7 Z + e_2 \]

RESULTS AND DISCUSSION

Data collection, the number of districts and cities in the province of Central Java during the 2015-2020 in 35 districts/city. Districts and cities in Central Java Province all meet to be sampled, namely 35 districts or cities. While the research year is six, the total sample that can be analyzed in this study is 210. This research uses data in the form of pooled cross-sectional. The study was conducted in the period 2015-2020 in that period obtained 210 sample data, which descriptively will explain the development and condition of the company for each variable for each period.

The variables used in this study are Human Development Index, Open Unemployment Rate as an independent variable, and Economic Growth as an intervening variable (mediation). And Poverty as dependent variable. Variable data take from BPS report from BPS Central Java Province. A descriptive explanation of each of these variables:
The results of the descriptive test in table 1 above show that there are 120 used to study. From the results of the descriptive analysis, it can be explained that the Human Development Index shows a minimum value of 63.18. The maximum value is 82.01, with an average value (Mean) of 70.6709 and a standard deviation of 4.33390. These results indicate that the standard deviation of the Human Development Index is smaller than the average value (Mean). This shows that the deviation distance of the sample data is not too far. It indicates that the Human Development Index data is quite good.

Table 1 shows that rate of Open Unemployment shows a minimum value of 1.50. The maximum value is 9.52, with an average (Mean) of 4.6039, and the standard deviation value is 1.77730. This result shows that the standard value of the deviation of the Open Unemployment Rate is smaller than Mean. Shows that sample data deviation is not too far away. It indicates that the Open Unemployment Rate is quite good.

Table 1 shows that Economic Growth shows a minimum value of 2.54. The maximum value is 23.54, with an average value (Mean) of 5.5485 and a standard deviation of 1.77730. These results indicate of standard deviation of Economic Growth is smaller than Mean. Shows that the sample data deviation is not too far away. It indicates that Economic Growth data sufficiently good.

Table 1 shows that Poverty shows a minimum value of 4.62. The maximum value is 21.45, with an average value of 12.7430 and a standard deviation of 4.01460. These results indicate that the standard deviation of Poverty is smaller than mean. This shows that sample data deviation is not too far away. It indicates that the Poverty data value is quite good.

This test is carried out by observing the skewness value of the data used. If the CR value on the skewness of the data is in the range between ±2.58 or at a significance level of 0.01 (1%), it can be concluded that there is no evidence that the data used has an abnormal distribution. The results of the data normality test are shown.
Table 2. Data Normality

<table>
<thead>
<tr>
<th>Variable</th>
<th>minim</th>
<th>maxim</th>
<th>skew</th>
<th>cr</th>
<th>kurtosis</th>
<th>cr</th>
</tr>
</thead>
<tbody>
<tr>
<td>Open Unemployment Rate (TPT)</td>
<td>1,500</td>
<td>9,830</td>
<td>.590</td>
<td>3.491</td>
<td>-.207</td>
<td>-.613</td>
</tr>
<tr>
<td>Human Development Index (HDI)</td>
<td>63.180</td>
<td>83.190</td>
<td>.841</td>
<td>4.975</td>
<td>.252</td>
<td>.747</td>
</tr>
<tr>
<td>Economic Growth (PE)</td>
<td>-10.360</td>
<td>23.540</td>
<td>-.479</td>
<td>-2.832</td>
<td>7.764</td>
<td>22.966</td>
</tr>
<tr>
<td>Poverty (KMSK)</td>
<td>3.980</td>
<td>21.450</td>
<td>.316</td>
<td>1.871</td>
<td>-.536</td>
<td>-1.585</td>
</tr>
<tr>
<td>Multivariate</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td>6.263</td>
<td>6.550</td>
</tr>
</tbody>
</table>

Source: Processed secondary data, 2022

Evaluation of normality was carried out using the criteria of critical ratio skewness value and kurtosis value, indicating that the variables were univariate, namely TPT, HDI, and PE have a value of cr > 2.58 which means the data is still not normally distributed. Likewise, the multivariate normality test also did not show standard data.

Evaluation of normality from table is carried out by looking at the remaining p2 values, which p2 values <0.05, indicating that there are still abnormal data in observation data no. 51 and 176 to exclude the two observation data so that outliers do not occur; thus the number of data becomes 208. Then it is necessary to transform the data using the natural logarithm (Ln), then remove the outlier data if it is still not normally distributed. Following results of normality after transformation is carried out:

The following are evaluation of the Goodness-Fit Indices research model:

Table 3. The goodness of Fit Indices

<table>
<thead>
<tr>
<th>The goodness of Fit Indices</th>
<th>Processing Results</th>
</tr>
</thead>
<tbody>
<tr>
<td>X2 Chi-Square</td>
<td>.000</td>
</tr>
<tr>
<td>Probability</td>
<td>.000</td>
</tr>
<tr>
<td>CMIN/DF</td>
<td>27.385</td>
</tr>
<tr>
<td>RMSEA</td>
<td>.357</td>
</tr>
<tr>
<td>GFI</td>
<td>.764</td>
</tr>
<tr>
<td>AGFI</td>
<td>.607</td>
</tr>
<tr>
<td>TLI</td>
<td>.000</td>
</tr>
<tr>
<td>CFI</td>
<td>.000</td>
</tr>
</tbody>
</table>
The results of the *goodness of fit model test* in Figure 1 show that the chi-square value is 0.000 with a *degree of freedom (df) value* of 0 at a probability level of 0.05, the chi-square table value is \(X^2 (1.0.05) = 3.841\) with a sig probability value of 0.000.

**Analysis Track**

To test the effect of intervening variables can use the path analysis method. Path analysis is an extension of regression analysis to assess the causal relationship between variables that have been determined previously based on theory. Path analysis alone cannot determine cause-and-effect relationships and cannot be used as a substitute for researchers to see the causality between variables. The causality relationship is formed by a model based on a theoretical foundation. Path analysis determines the pattern of relationships between three or more variables and can be used to confirm or reject the imaginary causality hypothesis (Ghozali, 2013).

With a model that is already fit, the parameter testing as hypothesized can be interpreted. Parameter test results were obtained as follows:

<table>
<thead>
<tr>
<th>Table 3 Regression Weight Model Path</th>
<th>Estimate</th>
<th>SE</th>
<th>CR</th>
<th>P</th>
<th>Label</th>
</tr>
</thead>
<tbody>
<tr>
<td>PE &lt;--- HDI</td>
<td>-.056</td>
<td>.039</td>
<td>-1.417</td>
<td>156</td>
<td>par_1</td>
</tr>
<tr>
<td>PE &lt;--- TPT</td>
<td>-.538</td>
<td>.101</td>
<td><strong>5.318</strong></td>
<td>***</td>
<td>par_2</td>
</tr>
<tr>
<td>KMSK &lt;--- HDI</td>
<td>-.606</td>
<td>.044</td>
<td><strong>-13.735</strong></td>
<td>***</td>
<td>par_3</td>
</tr>
<tr>
<td>KMSK &lt;--- TPT</td>
<td>-.046</td>
<td>.121</td>
<td>-.384</td>
<td>.701</td>
<td>par_4</td>
</tr>
<tr>
<td>KMSK &lt;--- PE</td>
<td>.048</td>
<td>.078</td>
<td>.618</td>
<td>.536</td>
<td>par_6</td>
</tr>
</tbody>
</table>

Source: Processed secondary data, 2022
Description: ***Indicates Significance of 0.000

The structural equation model based on these results can be written as follows:

\[
PE = -0.056 \text{ HDI} - 0.538 \text{ TPT} + z \\
KMSK = -0.606 \text{ HDI} - 0.046 \text{ TPT} + 0.049 \text{ PE} + z \\
\]

In this study, the coefficient of determination was analyzed to measure how far ability model's to explain variation of independent.
Based on table 4, the coefficient of determination (R Square) for the PE variable is 0.127. This means that 12.7% of Economic Growth (PE) can be explained by HDI and TPT, while other variables outside the model can influence the remaining 87.3% of PE. The coefficient of R Square for Poverty is 0.482. This means that 48.2% of Poverty can be explained by HDI, TPT, and Economic Growth (PE), while the remaining 51.8% of KMSK can be influenced by other variables outside the model.

**Direct and Indirect Influence**

This research model develops the use of the DER variable as a mediator of the effect of ROE, SIZE, and Asset Structure on PBV.

**Path Analysis of HDI on Poverty)** with PE as a variable intervention/mediation.

The direct effect is obtained from the beta value of HDI on Poverty (KMSK), while indirect effect is obtained by multiplying the influence of the HDI variable on PE with the influence of PE on KMSK as follows:

**Direct Effect of TPT on KMSK =** 0.606

**Indirect Influence through PE =** 0.056 X 0.048 = 0.002688

**Pathway Analysis of the Open Unemployment Rate (TPT) on Poverty Economic Growth (PE) as a variable intervention/mediation.**

The direct effect is obtained from the beta value of the open unemployment rate (TPT) on Poverty (KMSK), while the indirect effect is obtained by multiplying the effect of the TPT variable on PE with the influence of the PE variable on KMSK as follows:

**Direct Effect of TPT on KMSK =** 0.046
Indirect Influence through PE = - 0.538 X 0.048 = - 0.0 25824 

From the results of the path analysis above, it can be obtained as follows:

Table 5 Results Direct and indirect influence

<table>
<thead>
<tr>
<th></th>
<th>Direct Influence</th>
<th>Influence Indirect</th>
</tr>
</thead>
<tbody>
<tr>
<td>HDI</td>
<td>-0.606</td>
<td>-0.002688</td>
</tr>
<tr>
<td>TPT</td>
<td>-0.046</td>
<td>-0.025824</td>
</tr>
</tbody>
</table>

Source: Processed data, 2022

Mediation Test (Sobel test)

Testing the indirect effect can be tested with the Sobel test with the software calculate Sobel test (http://www.danielsoper.com/statcalc/calculator.aspx?id=31) as follows:

Mediation test of the influence of HDI on KMSK through PE

Table 6 Test the indirect influence of HDI on KMSK through PE

<table>
<thead>
<tr>
<th></th>
<th>Estimate</th>
<th>SE</th>
</tr>
</thead>
<tbody>
<tr>
<td>PE</td>
<td>-.056</td>
<td>.039</td>
</tr>
<tr>
<td>KMSK</td>
<td>.048</td>
<td>.078</td>
</tr>
</tbody>
</table>

Source: Processed data, 2022

Figure 2 Sobel Test HDI Against Poverty Through PE.
Information:
A = Coefficient of HDI to PE
B = PE coefficient of KMSK
SE A = SE HDI against PE
SE B = SE HDI against KMSK

The results of Sobel test calculation, Shows that value t-count is + 0.56562711. This value is smaller than the t table at the 5% level of +1.653. This means that economic growth can not mediate effect HDI on Poverty.

Mediation test of the effect of the Open Unemployment Rate (TPT) on Poverty (KMSK) through Economic Growth (PE)

Table 4 Test the indirect effect of TPT on KMSK through PE

<table>
<thead>
<tr>
<th></th>
<th>Estimate</th>
<th>SE</th>
</tr>
</thead>
<tbody>
<tr>
<td>PE &lt;--- TPT</td>
<td>-0.538</td>
<td>0.101</td>
</tr>
<tr>
<td>KMSK &lt;--- PE</td>
<td>0.048</td>
<td>0.078</td>
</tr>
</tbody>
</table>

Source: Processed data, 2022

Figure 3 TPT Sobel Test Against KMSK Through PE.

Information:
A = Coefficient of TPT to PE
B = PE coefficient of KMSK
SE A = SE TPT against PE
SE B = SE PE against KMSK
Based on the calculation results of the Sobel test above, the value of the t count is +0.61131862. This value is smaller than the t table at the 5% level of 1.65. This means that Economic Growth can not mediate the effect of the open unemployment rate on Poverty.

DISCUSSION

The Effect HDI on PE

Based on the results of the regression weight test, table 3 shows that HDI does not have an effect of significant on PE. This is indicated by the CR value of -1.417 < 1.659 and the significance value of 0.156 > 0.05. This means that the first hypothesis (H1) which states that the Human Development Index measured using the HDI has a significant effect on Economic Growth (PE). Decline. _ The means that Human Development Index has no significant effect in economic growth.

Human Development Index (HDI) is an indicator that explains how residents of a region have the opportunity to access the results of development as part of their rights to income, health, education, and so on (Hantika, 2020). The Human Development Index (HDI) measures HD achievements based on several essential components of quality of life (Tarumingkeng et al., 2021). According to Yani Mulyaningsih, the human development index contains three critical dimensions in development, which are related to aspects of meeting the needs for long life and healthy life, to gain knowledge, and having access to resources that can meet living standards. (Sayifullah & Gandasari, 2016). The higher the HDI value, the better the district/city in the three dimensions above. Meanwhile, economic growth is a quantitative measure that describes the development of an economy in a particular year compared to the previous year (Sadono Sukirno, 2006). It can be defined as the activity development on economy that cause goods and services to be product in society increased (Sadono, 2004).

Economic growth is an increase in national income (with an increase in per capita income) in a particular calculation period. According to Ranis, Stewart, and Ramirez: 2000 (BPS: 2016) that "In" Economic growth and human development, there is a two-way relationship (dual causation), where economic growth increases human development but, on the other hand, increased human development makes it possible to increase economic growth. Constantini V. and M. Salcatore (2008) stated that "Growth" high human development, indirectly positive effect on economic growth."Although some concepts state that economic growth has a dual cause with the development of humans, in practice, many factors influence the dual causation to occur. In addition to the factors that influence dual causation can happen, there are also related reinforcing factors with human development and the growth economy.
Economic growth in an area depends on the current conditions within such an area, as in Dewi's research (2014) which describes that “Growth the economy of Bali province is easy to fluctuate if there is a decrease in the number of tourists who affect the conditions of society which are indeed difficult regardless of dependence on the tourism sector.” This indicates that the components of the development index consist of three components, namely the index health, education index, and purchasing power index Public. These three components significantly the economics growth of Bali. Thus, the achievement of the quality of human capital increases in an area is related to the quality index of human development as the principal capital in economic development, and economic growth can be realized and increased. Increased economic growth can also be seen in zakat (Arwani et al, 2022)

Analysis results, regencies/cities with HDI tend to have high economic growth and vice versa. Regencies/cities with low HDI levels also tend to have small economic growth. This is in line with research conducted by Moh. Muqorrobin (2017) and Asnidar (2018) show that HDI has a negative and significant effect on economic growth, or HDI has no effect on economic growth (Muqorrobin, 2017)(Asnidar, 2018).

**Effect of TPT on PE**

Results of the RWT, table 3 shows that the Open Unemployment Rate (TPT) has a significant on Economic Growth (PE). Indicated by CR value -5.318 > -1.659 and the significance value of *** < 0.05. This means that the second hypothesis (H2) states that the Open Unemployment Rate, as measured using the TPT, affects Economic Growth (PE), is accepted.

According to Sukirno (1994), Unemployment is a condition where someone included in the labour force wants to get a job but has not got it. A person who does not work but is not actively looking for work is not classified as unemployed (Sukirno, 2004). Unemployment is a macro problem economy that directly affects human survival (Mankiw, 2000). Open Unemployment is created due to the increase in job vacancies which is lower than the increase in the workforce. As a result, an increasing number of workers are unable to find work in the economy. Open Unemployment can also occur as a result of declining economic activity, from technological advances that reduce the use of labour, or as a result of a decline in the development of an industry. (Sukirno, 2011). Economic growth is an increase in national income (with an increase in per capita income) in a particular calculation period. Higher economic growth can be seen in the low open unemployment rate.
Based on the analysis results, the open unemployment variable has a significant impact on economic growth in the districts/cities of Central Java Province. Efforts that can be made through the implications of government policies are strengthening the Smart Indonesia Program (PIP), vocational education, strengthening health programs through the addition of health facilities, recruiting medical personnel, and maximizing the healthy Indonesia card and BPJS. This research is in line with Azwar (2016), who states that the unemployment variable has a negative and insignificant effect on growth economics (Evita & Primandhana, 2022). Purwanti and Rahmawati's research (2021) states that the open unemployment rate (TPT) has no significant effect on economic growth (Purwanti & Rahmawati, 2021).

Effect of HDI on KMSK

Based on the regression weight test results, table 3 shows that the Human Development Index (HDI) has a significant effect on Poverty (KMSK). This is indicated by the CR value of -13.735 > -1.659 and the significance value of *** < 0.05. This means the third hypothesis (H3) states that the human development index measured using the HDI affects Poverty (KMSK). Accepted. Means that Human Development Index (HDI) has a significant on Poverty. The Human Development Index (HDI) is an indicator that explains how residents of a region have the opportunity to access the results of development as part of their rights to income, health, education, and so on (Hantika, 2020). HDI measure human development achievements based several essential components quality life (Tarumingkeng et al., 2021). Development is a process of change for the better. Development should lead to humans as the ultimate goal of development and not as a means of development. In the new development method where The new development method underscores the importance of the task of public/government authorities, particularly in expanding human resource development. Human progress cannot be separated from poverty reduction. Interest in education and health will be more critical for the poor than the non-poor, given that for the poor, their fundamental resource is labour. The presence of simple education and health facilities will significantly help increase efficiency and thereby increase income (Budhijana, 2020). This research is in line with Prasetyoningrum (2018), Siswanto (2019), and Paizal et al. (2021), stating that the Human Development Index affects Poverty.

Effect of Open Unemployment Rate (TPT) on Poverty (KMSK)

Based on the results of the regression weight test, table 3 shows that the Open Unemployment Rate (TPT) has no significant effect on Poverty (KMSK). This is indicated by
the CR value of -0.384 < 1.659 and the significance value of 0.701 > 0.05. This means the
fourth hypothesis (H4), which states that the Open Unemployment Rate (TPT) affects Poverty
(KMSK). **Refused.** This means that the open unemployment rate has no significant effect on
Poverty.

Unemployment is a macro problem economy that directly affects human survival. For
most people, losing a job is a decline in ordinary life. So not startling if Unemployment is a topic
often discussed in political debates by politicians who often review that the policies they offer
will help create jobs (Mankiw, 2000). It indicates microfinance was the strongest predictor of

The research is not in line with Anggadini, F. (2015) and Agustina, D. (2020), who state
that Unemployment affects Poverty. However, this research is in line with Zuhdiyat, N., &
Kaluge, D. (2017) and Mukhtar, S., & Saptono, A. (2019), stating that the open unemployment
rate does not affect Poverty.

**Effect of Economic Growth (PE) on Poverty (KMSK)**

Based on the regression weight test results, table 3 shows that economic growth has no
significant effect on Poverty (KMSK). This is indicated by the CR value of 0.618 < 1.659 and
the significance value of 0.536 > 0.05. This means that the fifth hypothesis (H5) states that
economic growth as measured using PE affects Poverty (KMSK). **Refused.** This means that
economic growth does not affect Poverty.

Suryana (2005: 5) said economic growth is defined as an increase in GDP (Gross
Domestic Product) or GRDP regard that whether increase more significant or less than
population growth and without seeing if there is a change in its economic structure
(Prishardoyo, 2008). According to Jingan (2004:67), economic growth is influenced by two
kinds of factors influence economic and non-economic (Ningsih & Andiny, 2018). The
negative relationship between economics growth and Poverty. To reduce Poverty, economic
growth must be increased because if economic growth in an area increase, there are also many
people's desires to invest automatically, and many jobs are available, so that the unemployment
rate can be suppressed, which has an impact on the trim level of Poverty.

This research is in line with Romi, S., & Umiyati, E. (2018) and Ningsih, D., & Andiny,
P. (2018) show that economic growth does not affect Poverty (Romi & Umiyati, 2018)(Ningsih
& Andiny, 2018).
The Mediation Effect of PE on the relationship between the HDI and Poverty

Results of the Sobel test calculation above show that the value of the t count is ± 0.56562711. This value is smaller than the t table at the 5% level of ± 1.65 3 with a sig value of 0.285. This means that economic growth can not mediate the effect of HDI on Poverty. The Human Development Index (HDI) is an indicator that explains how residents of a region have the opportunity to access the results of development as part of their rights to income, health, education, and so on (Hantika, 2020). The Human Development Index measures HD achievements based at several essential components of quality life (Tarumingkeng et al., 2021). According to Yani Mulyaningsih, the human development index contains three critical dimensions in development, which are related to aspects of meeting the needs for long life (longevity) and healthy life (healthy life), to gain knowledge (the knowledge), and having access to resources that can meet living standards. (Sayifullah & Gandasari, 2016). The higher the HDI value, the better the district/city in the three dimensions above. Meanwhile, economic growth is a quantitative measure that describes the development of an economy in a particular year compared to the previous year (Sadono Sukirno, 2006). Economic growth correlates with the number of poor people, where High economic growth will impact reducing the poor population, assuming that economic growth favours the poor (Kakwani et al., 2010).

Siregar & Wahyuni (2007) explain that reducing the number of Poverty is a prerequisite for economic growth. In this case, all residents with various income groups, including residents belonging to the poor group, must be able to be embraced economic growth (growth with equity) (Siregar & Wahyuni, 2007). Therefore, this needs to be given special attention to sectors where the poor work, whether in agriculture or the labour-intensive sector. Besides that, the government needs to play an intensive role in spreading the impact of economic growth from modern sectors such as manufacturing and services capital intensive.

Suryantoro’s (2018) research makes economic growth a variable Intervening/mediation. Nur Wani’s research (2020) uses economic growth as an intervening variable, the result of which is that economic growth can not mediate effect HD index on Poverty.

Mediation Effect Economic Growth on the Relationship between the Open Unemployment Rate and Poverty

Based on the calculation results of the Sobel test above, the value of the t count is ± 0.61131862. This value is smaller than the t table at the 5% level of 1.65 3 signs 0.270. This means that Economic Growth can not mediate the effect of the open unemployment rate on Poverty.
Unemployment is a condition where someone in the labour force wants to get a job but has not. A person who does not work but is not actively looking for work is not classified as unemployed (Sukirno, 2004). Unemployment is a macro problem economy that directly affects human survival (Mankiw, 2000). Open Unemployment is created due to the increase in job vacancies which is lower than the increase in the workforce. As a result, an increasing number of workers are unable to find work in the economy. Open Unemployment can also occur as a result of declining economic activity, from technological advances that reduce the use of labour, or as a result of a decline in the development of an industry (Sukirno, 2011). Economic growth is the growth in producing goods and services in an economic area in a specific time interval.

Economic growth can be seen from the value of a gross domestic product (GDP) / Gross Regional Domestic Product (GRP) in a certain period can be seen from the data based on current and constant prices. Economic growth is an increase in national income (with an increase in per capita income) in a particular calculation period. Higher economic growth can be seen in the low open unemployment rate.


CONCLUSION

The Human Development Index (HDI) has no effect of significant on PE. This is indicated by the CR value of -1.417 < 1.659 and a significance value of 0.156 > 0.05. The HDI have not significant effect on economic growth. The Open Unemployment Rate (TPT) significantly affects Economic Growth (PE). This is indicated by the CR value of -5.318 > -1.659 and the significance value of *** < 0.05. The Human Development Index (HDI) significantly affects Poverty (KMSK). This is indicated by the CR value of -13.735 > -1.659 and the significance value of *** < 0.05, then the Human Development Index (IPM) has a significant effect on Poverty. The Open Unemployment Rate (TPT) has no significant effect on Poverty (KMSK). This is indicated by the CR value of -0.384 < 1.659 and a significance value of 0.701 > 0.05. Therefore, the open unemployment rate has no significant effect on Poverty. Economic growth has no significant effect on Poverty (KMSK), this is indicated by the CR value of 0.618 < 1.659 and a significance value of 0.536 > 0.05, so economic growth does not
affect Poverty. The t-count value is $+0.56562711$. This value is smaller than the t table at the 5% level of $+1.653$ with a sig value of 0.285. This means that economic growth can not mediate effect of HDI on Poverty. The value t-count is $+0.61131862$. This value is smaller than the t table at the 5% level. of 1.65 3 signs 0.270. This means that Economic Growth can not mediate effect of the open unemployment rate on Poverty. The theoretical implication of the genuine part of the agenda of this finding is that the research can be carried out in different places with broader objects. For further research, it should be carried out long enough so that there are many observer data. Meanwhile, the practical implications of this research can be used by the provincial or district/city governments in Central Java Province as policy material and projections in the future. The limitation that might interfere with the research results is that the data is still minimal, below 250 data, so the results cannot describe the ideal conditions. This research is still not ideal because the number of research variables is not so much. So, it is necessary to do further research, which is quite a lot, and the intervening variables are different.

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