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FACTORS AFFECTING ECONOMIC DEVELOPMENT AND JOB OPPORTUNITY IN SAMARINDA

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ABSTRACT

This study aims to determine the Effect of Household Consumption and Investment on Economic Growth and Employment Opportunities in Samarinda City. Quantitative type of research. With a total of 15 years of research period calculated from 2006 - 2020. The analytical tools used are outer model, inner model, partial hypothesis testing with SmartPLS. The results showed that household consumption variables with food and non-food sector consumption indicators have a significant effect on economic growth. Investment variables with indicators of Domestic Investment (PMDN) and Foreign Investment (FDI) have a significant effect on economic growth. Variable Household consumption with indicators of consumption in the food and non-food sectors has a significant effect on employment opportunities. Meanwhile, investment variables with indicators of Domestic Investment (PMDN) and Foreign Investment (FDI) do not affect employment opportunities. The variable economic growth with the prevailing price GRDP indicator and constant price GRDP has a significant effect on job opportunities in Samarinda City for the period 2006 - 2020.

INTRODUCTION

A common phenomenon that is often a problem in job opportunities in Samarinda City is related to the existence of workers from the people of Samarinda city, especially those who graduate from high schools and vocational schools. Meanwhile, the position of job seekers is completely unqualified because they are not equipped with education. Hence, it is difficult for them to be accepted when registering to find a job. In addition, there are many job seekers in Samarinda City whose origin is not only Samarinda residents but also immigrants from outside the Samarinda area. As a result, it is seen that more and more people are not listed in job seekers and automation is increasing the number of unemployed (Kliksamarinda.com, 2021).

The city of Samarinda continues to strive by expanding employment opportunities with the efforts made to increase the number of jobs. Apart from the expansion of employment, the performance of the government also needs to carry out comprehensive population data collection, because not all residents in the city of Samarinda are recorded directly. That way, efforts to overcome the number of unemployed can be minimized, and efforts to create jobs can adjust to the number of residents, with so many unemployed residents getting job opportunities.

The problem of employment opportunities is actually one of several important problems in population that the government has always sought to solve (N. K. V. A. Dewi & Bendesa, 2020; N. M. S. Dewi & Sutrisna, 2015). Expanding employment opportunities is seen as the most important way to spread the results of economic development more evenly (Hadiyanti, 2013). The expansion of productive employment opportunities will increase production, so as to level people's

income and participation in development (Antari & Marhaeni, 2020). On the contrary, the inability to provide employment opportunities will cause its own problems in economic development (Tshepo, 2014). The emergence of problems in employment opportunities is a symptom that the government is still experiencing obstacles in managing population and social life, while the problems that occur also affect economic growth (Reniati et al., 2020).

Samarinda's economic growth is a measurement scale in looking at the economic development of East Kalimantan Province and also a measurement scale in development. Since the last few years, Samarinda's economic growth has been volatile. It can be seen from the last 7 years, namely from 2013 to 2019. In that period, the range of economic growth was quite high in 2013 which reached 5.59 percent and decreased in 2014 by up to 4.94 percent, this was a decrease of 0.65 percent. As for economic growth in 2015 with a range of 0.04 percent, this shows that the growth range has decreased quite high, while the following year, especially in 2017, it increased with a growth range of 3.65 percent as well as in 2019 it experienced an increase from the previous year.

There was a decline in employment opportunities and economic growth due to the Covid-19 outbreak that occurred in early 2020. In addition to the increasing population and limited employment, household consumption and investment factors proxied through Domestic Investment (PMDN) and Foreign Investment (PMA).

Household consumption factors are also supporting the creation of economic growth and employment opportunities (Padli et al., 2020). Consumption is very important, because the fulfillment of people's needs is mostly consumption, both goods and services. Every individual in society certainly uses goods or services to be able to meet their daily needs. There are goods that are used to meet needs that are only used once, some are not immediately used up but run out slowly.

In addition to household consumption as outlined above, investment factors also affect employment opportunities and economic growth in Samarinda. The existence of new investments allows the creation of new capital goods so that they are able to absorb production factors, namely creating new jobs or job opportunities that will absorb labor which in turn will increase the economic growth of a region (Mahriza & Amar, 2019). In this study, the investment studied was from the sektor of Domestic Investment (PMDN) and Foreign Investment (PMA).

The level of investment in PMDN and FDI in general has an influence on economic growth and even affects employment opportunities. A high level of investment will increase production capacity, which in turn leads to an increase in people's income. The theory also says that an increase in investment can encourage economic growth (Ernita et al., 2013).

Based on the background of the research described above, it can be described that the purpose of this study is to determine the influence of household consumption on economic growth, the effect of investment on economic growth, the effect of household consumption on job opportunities, the influence of investment on job opportunities, and the influence of investment on job opportunities. Everything is done in Samarinda City.

METHOD

This study aims to explain the relationship between constituents and also because of the need for indicators in this study, as well as the measurement model is structural, this study uses PLS.

Measurement Model (Outer Model)

Outer Model itself is needed as a tester of construct validity and instrument reability. The criteria for convergence validity with the rule of trumb used for this test are outer loading >0.7, communality >0.5, and Average Variance Extracted (AVE) >0.5.

Structural Model (Inner Model)

The structural or inner model is evaluated by looking at the percentage variance described by R^2 (R-Square) and to see the magnitude of the path coefficient of its structure.

Hypothesis Testing

Hypothesis testing is a decision-making process where the researcher considers the results of the study against what the objectives are referred to by the researcher.

RESULT AND DISCUSSION

Convergent Validity Test

Table 1. Convergent Validity Test Results

Variable	Indicator	Outer Loading	Information
Household Consumption (X_1)	X1.1	0,993466	Valid
	X1.2	0,994402	Valid
Investment (X_2)	X2.1	0,961459	Valid
	X2.2	0,812498	Valid
Economic Growth (Y_1)	Y1.1	0,978123	Valid
	Y1.2	0,977123	Valid
Job Opportunities (Y_2)	Y2.1	0,623345	Valid
	Y2.2	0,990435	Valid
	Y2.3	0,638431	Valid

Source: Data Processed

Based on the table above, it is concluded that all indicators from the data are declared valid because they have an outer value or loading factor of more than 0.50, so it is stated that 9 research data meet the test criteria, and all these indicators as contract gauges have been proven to have convergent validity.

Validity of Discriminants

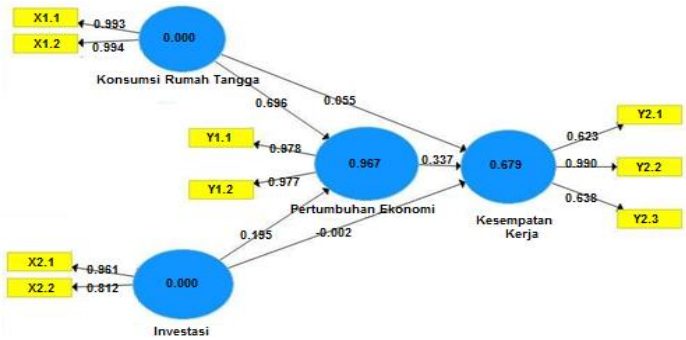


Figure 1. Discriminant Validity Test Results

Based on the description of the outer model, all indicators of each variable have a greater value compared to other latent variables, so it can be concluded that the indicator has a higher correlation with other latents.

Average Variance Extracted (AVE)

The AVE assessment criteria must be greater than 0.50 and all values can be categorized as valid so as to indicate an adequate level of convergent validity, thus the latent variables account for more than half of the indicator variants.

Table 2. AVE Test Results

Variable	AVE	Moans
Household Consumption	0,993934	Valid
Investment	0,886978	Valid
Economic Growth	0,977623	Valid
Job Opportunities	0,750737	Valid

Source: Data Processed

Based on the description of the table above, the household consumption value obtained an AVE value of 0.993. Variable investment AVE value of 0.886. The Economic Growth Variable AVE value is 0.977 while the job opportunity variable AVE value is 0.750 so that it is concluded that all variable contractors have a value equal to or greater than 0.50 so that it is adequate in terms of convergent validity.

Hypothesis Analysis

In the t-test, it was carried out with a structural model evaluated in this study consisting of the parameter coefficients of the relationship path between independent and dependent. The results of the research hypothesis test are as follows:

Table 3. T-Test Results (Regression)

Effect	Original Sample (O)	t-Statistics	P-Value	Information
Household Consumption -> Economic Growth	0,696433	15,28432	0,000	Significant
Investment -> Economic Growth	0,195501	4,58022	0,001	Significant
Household Consumption -> Employment Opportunities	0,055771	6,356222	0,000	Significant
-> Investment Job Opportunities	-0,002455	-0,036221	0,972	Insignificant
Economic Growth -> Employment Opportunities	0,337342	5,247503	0,000	Significant

Source: Processed from Primary Data, 2021

Hypothesis 1

Based on table 3 between household consumption to economic growth, a P-Value significance value of 0.000 was obtained, and t statistic 15.28432 and receipts, namely P value less than 0.05 (Sig p < Sig α), and t count greater than t table 1,753 means that the value shows that there is a significant influence between household consumption and economic growth in the city of Samarinda. This influence analysis is positive (+) judging from the Original Sample (O) value of 0.696433 indicating the direction of positive influence so that Hypothesis 1 is accepted.

Hypothesis 2

Based on table 3 between investment through PMDN and FDI on economic growth, a P-Value significance value of 0.001 was obtained, and t statistic 4.58022 and receipts, namely P value smaller than 0.05 (Sig p < Sig α), and t count greater than t table 1.753 meaning that the value shows that there is a significant influence between investment and economic growth in Samarinda City. This influence analysis is positive (+) judging from the Original Sample (O) value of 0.195501 showing the direction of positive influence so that Hypothesis 2 is accepted.

Hypothesis 3

Based on table 3 between household consumption on employment opportunities, a P-Value significance value of 0.000 was obtained, and a statistical t of 6.356222 and receipts, namely P value less than 0.05 (Sig p > Sig α), and t count greater than t table 1,753 means that the value shows that there is a significant influence between household consumption and employment opportunities in Samarinda City. The analysis of this influence is positive (+) judging from the Original Sample (O) value of 0.055771 showing the direction of positive influence so that Hypothesis 3 is accepted.

Hypothesis 4

Based on table 3 between investment to employment opportunities, a P-Value significance value of 0.972 is obtained, and a statistical t of -0.036221 and receipts, namely P value greater than 0.05 (Sig p < Sig α), and t count is smaller than 1.753 meaning that the value shows that there is no influence between investment and employment opportunities in Samarinda City. The analysis of this influence is negative (-) judging from the original sample (O) value of -0.002455 indicating the direction of the negative influence so that Hypothesis 4 is rejected.

Hypothesis 5

Based on table 3 between economic growth on employment opportunities, a P-Value significance value of 0.000 and a statistical t of 5.247503 and receipts, namely P value less than 0.05 (Sig p > Sig α), and t count greater than 1,753 means that the value shows that there is a significant influence between economic growth on employment opportunities in Samarinda City. This influence analysis is positive (+) judging from the Original Sample (O) value of 0.337342 indicating the direction of positive influence so that Hypothesis 5 is accepted.

The Effect of Household Consumption on Economic Growth

Based on the results of the study, household consumption with indicators consists of household consumption in the food sector, and consumption of non-food households has a positive and significant influence on economic growth. The existence of this influence is because the increasingly large household consumption also adds to the income of the Samarinda city area, thereby directly increasing the economic growth of the Samarinda City area. The higher the household consumption of the people of Samarinda city, be it the food or non-food sector, the higher the economic growth.

The results of this study are also supported by research conducted by Ernita et al. (Ernita et al., 2013) and the results of research from Afiftah & Juliprijanto (2017) respectively in their research concluded that "household consumption affects economic growth, the more household consumption increases the higher the regional economic growth, and vice versa if tang household consumption decreases, economic growth will also decrease.

The Effect of Investment on Economic Growth

Based on the results of the study, indicator investment consisting of Domestic Investment (PMDN) and Foreign Investment (FDI) has a positive and significant influence on economic growth. The existence of this influence is because investment is one of the supporting factors in increasing the economic growth of the Samarinda city area, the existence of investment is closely related to the economy, because the better the income of funds through investment, the regions can finance it also means increasing regional growth from the economic sector.

The results of this study are also supported by research conducted by Sulistiawati (2012), Setiawan et al. (2014), and Astuti (2018) and each in their research concluded that investment

affects economic growth, the more investment increases in the regions, economic growth also increases.

The Effect of Household Consumption on Employment Opportunities

Based on the results of the study, household consumption with indicators consists of household consumption in the food sector, and non-food household consumption has a positive and significant influence on employment opportunities. The existence of this influence is because the increasing household consumption also adds to the income of the Samarinda city area, so that it also supports the opening of employment opportunities, the existence of employment opportunities basically creates job opportunities for the community.

The results of this study are also supported by research conducted by Sianturi (2016), Fitriyono et al. (2019), and Marhaeni (2020) and each in their research concluded that household consumption affects job opportunities, the more increased household consumption, the more open the opportunity to create job opportunities in an area.

The Effect of Investment on Employment Opportunities

Based on the results of the study, indicator investment consisting of Domestic Investment (PMDN) and Foreign Investment (PMA) has noeffect on employment opportunities. The insignificant investment in job opportunities is due to uneven investment in several sectors, which has an impact on the small number of available jobs so that job opportunities are still very low in Samarinda City. Another thing that causes investment does not have an influence on employment opportunities because domestic investment, especially from the government, is more oriented towards the development of sectors that do not absorb labor so as not to increase employment opportunities for the community, such as spending on public facilities (facilities and infrastructure), education and teaching spending.

This is in accordance with the opinion of Tambunan (2001) that the rate of investment growth is a crucial factor for the continuity of the economic development process, or long-term economic growth. On the other hand, income through investment but unevenly can affect the decline in job opportunities.

Another reason also as stated by Todaro (2000), is that the out-of-sync relationship between investment and job opportunities occurs due to the accumulation of capital for the purchase of sophisticated machinery and equipment which not only wastes domestic finances and foreign exchange but also hinders efforts in order to create growth in the creation of new jobs.

The results of this study are also supported by research conducted by Hellen et al. (2018), Dharma and Djohan (2016) and Suindyah (2018), respectively in their research concluding that investment does not affect job opportunities, this is because investment does not play a significant role in increasing job opportunities.

The Effect of Economic Growth on Employment Opportunities

Based on the results of the study that economic growth whose indicators consist of a fixed-price Gross Regional Domestic Product and a constant price Gross Regional Domestic Product has a positive and significant influence on employment opportunities. The existence of this influence is because economic growth in Samarinda has increased, it can be seen that over the past 5 years the GRDP of Samarinda City has increased, and of course the existence of positive economic growth has also opened up job opportunities for the people of Samarinda City.

The research conducted by Sulistiawati (2012) also supports the results of this study, where it is concluded that economic growth through PRDB is closely related to job opportunities for the community, because the government's efforts to create jobs will be carried out if encouraged by better regional economic growth.

CONCLUSION

Household consumption affected economic growth in Samarinda City in 2006 - 2020. The existence of this influence is because the household consumption of Samarinda city from 2006 - 2020, both the food and non-food sectors continue to increase, so that the increase in household expenditure consumption is also large enough to affect regional GRDP, and the increase in gross value also contributes to increasing the economic growth of the Samarinda City area.

Investment affects economic growth in Samarinda City in 2006 - 2020. The existence of this influence is because investment is one of the supporting factors in increasing the economic growth of the Samarinda city area, the better the income of funds through investment, the regions can finance it also means increasing regional growth from the economic sector. So it can be assumed that the higher the level of investment, both PMDN and FDI, economic growth also increases, on the other hand, if investment decreases, economic growth also does not increase.

Household consumption affected employment opportunities in Samarinda City in 2006 - 2020. The relationship between consumption and employment opportunities is very related, this shows that if there is an increase in the value of consumption in existing economic sectors, it will be able to increase the number of job opportunities that will be available. With the development and improvement of the economic sector, it will encourage the opening of new employment opportunities so that it also has an impact on increasing job opportunities for the community.

Investment has no effect on job opportunities in Samarinda City in 2006 - 2020. This is due to uneven investment in several sectors, which has an impact on the small number of available jobs so that the level of employment is still very low in Samarinda City. Another thing that causes investment does not have an influence on employment opportunities because domestic investment, especially from the government, is more oriented towards the development of sectors that do not absorb labor so as not to increase employment opportunities for the community, such as spending on public facilities (facilities and infrastructure), education and teaching spending.

Economic growth affected employment opportunities in Samarinda City in 2006 - 2020. The existence of this influence is because economic growth in Samarinda has increased, it can be seen that over the past 5 years the GRDP of Samarinda City has increased, and of course the existence

of positive economic growth has also opened up job opportunities for the people of Samarinda City. So it can be concluded that the increasing economic growth also opens up opportunities in creating job opportunities for the people of Samarinda city.

To the next researcher in order to be able to conduct further research related to the variables in this study. If necessary, add more specific variables or indicators so that the results obtained are maximized.

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