OPEN UNEMPLOYMENT RATE AND ITS IMPLICATIONS ON POVERTY IN DKI JAKARTA PROVINCE

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ABSTRACT

This research aims to analyze the impact of the Provincial Minimum Wage (UMP), formal and informal sector human resource absorption on the Open Unemployment Rate (TPT) and its implications for poverty levels in DKI Jakarta Province. Low education and income levels contribute to poverty by affecting the quality of human resources. The study uses Classical Assumption Tests, Heteroscedasticity Tests, and multiple regression analyses. Results indicate that the UMP significantly and positively affects poverty levels. The significance value for the informal sector's human resource absorption (X2) is 0.0016, confirming its significant positive correlation with the TPT. Similarly, the TPT has a positive and significant influence on poverty, with a significance value of 0.006. The regression analysis shows that UMP and human resource absorption from both formal and informal sectors together have a significant positive effect on the TPT, with a p-value of 0.000. Thus, the UMP, formal, and informal sector human resources significantly influence open unemployment, which in turn affects poverty levels in DKI Jakarta Province. These findings highlight the interconnectedness of wage policies, employment sectors, and poverty, underscoring the need for comprehensive strategies to address unemployment and improve human resource quality.

Keywords: *Provincial Minimum Wage, Formal Sector HR Absorption, Informal Sector HR Absorption, Open Unemployment Rate, Poverty Rate.*

INTRODUCTION

Poverty is one of the complicated problems that has never been felt by some people for a long time (Mahendra & Wibowo, 2023; Ogunrinola, 2011). Where there are still some residents who feel a lack of availability of job opportunities and equal distribution of employment opportunities which can result in a large number of unemployed. The low quality of human resources due to low education and low income levels is one of the factors causing the problem of poverty(Bieth, 2021; Findi & Zulia, 2017). With an increasing population followed by an increasing number of labor force and unemployment, this could have an impact on the high level of poverty in DKI Jakarta. Poverty is a social problem that always exists in a society that cannot meet the needs of life properly. Coupled with the emergence of the Covid19 pandemic outbreak at the beginning of 2020, the poverty rate was high, namely 4.53 percent in 2020 and rose again to 4.67 percent in 2021. Because many companies reduce the workforce, entrepreneurs do not run smoothly and decrease income levels what the community gets is low so they can't meet the needs of a decent life (Hohberg & Lay, 2015).

The table below is a table of data on the number of poor people, the percentage of poverty levels and the poverty line based on the 2012–2021 Susenas (National Socioeconomic Survey) conducted by the DKI Jakarta Central Statistics Agency, as follows:

Table 1. Number of Poor Population, Poverty Level and Poverty Line in DKI Jakarta Province, 2012 – 2021

Year	Number of Poor People (thousands)	Poverty level (%)	Line of poverty
(1)	(2)	(3)	(4)
2012	366,30	3.70	392 571
2013	371.70	3.72	434 322
2014	412.79	3.70	447 797
2015	398.92	3.72	487 388
2016	384.30	3.75	510 359
2017	389,69	3.77	536 546
2018	373,12	3.57	593 108
2019	365.55	3,47	637 260
2020	480.86	4.53	680 401
2021	498,29	4.72	697,638

Source: Susenas 2012-2021, BPS DKI Jakarta.

The percentage of the poverty rate in DKI Jakarta in the last 10 (ten) years 2012-2021, shows that the highest is in 2021, namely (4.72 percent), an increase of around 0.97 percent when compared to 2012, namely (3.70 percent). Meanwhile, the lowest poverty rate occurred in 2019 (3.47 percent), an increase of around 1.20 percent compared to 2021 (4.72 percent).

The Open Unemployment Rate in DKI Jakarta in the last ten years in 2012 reached 9.67 percent and continued to decline to 6.22 percent in 2019. However, in 2020 the percentage of the open unemployment rate (TPT) has increased to reach 10.95 percent, then it drops again in 2021, namely to 8.50 percent.

In addition to the open unemployment rate, minimum wage is a minimum standard used by employers or industry players to provide wages to workers in their business or work environment. In DKI Jakarta the Provincial Minimum Wage (UMP) continues to increase every year from 2012 to 2021, from IDR 1 529 150 per month in 2012 to IDR 4 416 186 per month in 2021. The highest UMP increase was Rp. 670 850,- in DKI Jakarta occurred in 2013 amounting to Rp. 2 200 000,- per month compared to Rp. 1 529 150,- per month in 2012. Meanwhile, the lowest UMP increase was Rp. 138 836, - will occur in 2021 of Rp. 4 416 186,- per month compared to 2020 of 4 276 350,- per month. Human Resources (HR) play an important role in growth and progress in DKI Jakarta Province. The Indonesian economy has been shaken since the Covid-19 pandemic, especially DKI Jakarta Province, which is the most contributing region to the Indonesian economy. However, in February 2021, DKI Jakarta's economy has started to improve. This is marked by the addition of HR absorption of 249 thousand people compared to August 2020 and is the largest addition

compared to other provinces in Indonesia. With this addition, employment in DKI Jakarta also rose to 91.49% and the Open Unemployment Rate fell to 8.51%. In addition to increasing the quantity of human resources, the quality of human resources in DKI Jakarta has also increased. This is indicated by the increase in workers in the formal sector of 268 thousand people and the dominance of the percentage of workers in the formal sector (64.1%) compared to the informal sector (35.9%). Besides that, workers in DKI Jakarta are also educated workers, because they are dominated by high school graduates and above (69.11%). Labor absorption in February 2021 occurred in most sectors/job fields. The 3 sectors that were able to absorb a relatively significant workforce were the trade sector (24.46%), the manufacturing industry sector (13.44%) and the transportation and warehousing sector (11.40%). Formal sector workers are dominated by laborers/employees/employees (93.54%) and the rest are entrepreneurs assisted by permanent/paid workers (6.46%). manufacturing industry sector (13.44%) and transportation and warehousing sector (11.40%). Formal sector workers are dominated by laborers/employees/employees (93.54%) and the rest are entrepreneurs assisted by permanent/paid workers (6.46%). manufacturing industry sector (13.44%) and transportation and warehousing sector (11.40%). Formal sector workers are dominated by laborers/employees/employees (93.54%) and the rest are entrepreneurs assisted by permanent/paid workers (6.46%).

In terms of evaluating the results of development planning, based on the adjustment of the DKI Jakarta Provincial Government's Key Performance Indicator (IKU) targets in the DKI Jakarta RPJMD 2017-2022, especially on the target indicator for reducing the unemployment rate with the target performance indicator in the form of the Open Unemployment Rate (TPT), it is known that the target the TPT figure in 2021 based on data obtained from the sakip.jakarta.go.id website is 10.69%. Meanwhile, the DKI Jakarta Province TPT figure in February 2021 is in the position of 8.51%. Thus, the current condition of the open unemployment rate in DKI Jakarta is still in the corridor of fulfilling the unemployment rate target in DKI Jakarta's RPJMD 2017-2022.

On the policy side, the DKI Jakarta Provincial Government's efforts to encourage the economic sector include building a platform for the creation, facilitation and collaboration of MSME development through an entrepreneurial ecosystem, such as start-ups, educational institutions, and financing institutions in one integrated entrepreneurship program called Jakpreneur. Jakpreneur was formed to provide a forum for MSMEs which are known to have a large contribution in absorbing labor and are also providers of community needs and one of the main drivers (± 94%) of DKI Jakarta's economy and the most vulnerable to being affected by Covid-19. Forward, Through this integrated entrepreneurship program, it is hoped that new entrepreneurs will emerge who can encourage the creation of jobs as one of the missions of the 2017-2022 RPJMD, namely to encourage the realization of community self-reliance through the emergence of new entrepreneurs who are able to create jobs. The Provincial Minimum Wage (UMP) for DKI Jakarta was recorded at Rp. 1,529,150 in 2012. If compared to the previous year (2011) it was Rp. 1,290,000. This means that the UMP for 2012 has increased by around 18.54 percent from the value of UMP DKI in 2011.

The percentage increase in the DKI Jakarta Provincial Minimum Wage from the previous year in the last 10 (ten) years 2012-2021, shows that the highest increase in the DKI Jakarta Province Minimum Wage in 2013 was (Rp. 670,850) an increase of around 43.87 percent when compared to 2012, namely (IDR 239,150) only 18.54 percent.

Meanwhile, the lowest percentage increase in the DKI Jakarta Provincial Minimum Wage occurred in 2021, namely (148,837), down compared to 2020, namely (3.48 percent).

The table below is a data table for DKI Jakarta Provincial Minimum Wage and the percentage increase according to 2012-2021.

Table 2. Table of Percentage of Provincial Minimum Wage in DKI Jakarta Province, 2012-2021

Year	DKI Jakarta Provincial Minimum Wage (UMP)	Percentage increase from the previous year
2012	IDR 1,529,150	18.54 %
2013	IDR 2,200,000	43.87 %
2014	IDR 2,441,000	10.95 %
2015	IDR 2,700,000	10.61 %
2016	IDR 3,100,000	14.81 %
2017	IDR 3,355,750	8.25 %
2018	IDR 3,648,036	8.71 %
2019	IDR 3,940,973	8.03 %
2020	IDR 4,267,349	8.28 %
2021	IDR 4,416,186	3.48 %

Source: DKI Jakarta Provincial BPS and DKI Jakarta Provincial Office of Manpower and Transmigration

Based on these problems the objectives of the research are as follows:

1. To analyze the influence of the Provincial Minimum Wage, Absorption of formal and informal sector human resources on the open unemployment rate and its implications for poverty in DKI Jakarta Province partially.
2. To analyze the influence of the Provincial Minimum Wage, Absorption of formal and informal sector human resources on the Open Unemployment Rate and Its Implications for the Poverty Rate in DKI Jakarta Province simultaneously.

LITERATURE REVIEW
Poverty Theory

To understand poverty, there are two paradigms or grand theories, namely the Neo-liberal and Social Democratic paradigms (Findi & Zulia, 2017). According to the Neo-Liberal Paradigm Theory Poverty is an individual problem not a group problem caused by the weaknesses or life choices of the individuals concerned. Poverty will disappear if market forces are expanded as much as possible and economic growth is increased as high as possible. In alleviating poverty, it must not be temporary. And it doesn't just involve families, non-governmental groups or religious institutions (M. Subari, 2021).

Social Democratic Theory Poverty is not an individual problem, but a structural

problem. Poverty is caused by injustice and income inequality in society due to the limited access of certain groups to various social resources. Supporters of Social-Democrats argue that equality is an important prerequisite for gaining independence in freedom.

Definition of Poverty

According to (Kadji, 2004; Kuncoro, 2000), 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 required to purchase minimum nutritional standards and other basic needs, and

(2) the number of other needs varies greatly, which reflects the cost of participation in people's daily lives. The term poverty appears when a person or group of people is unable to meet the level of economic prosperity which is considered the minimum requirement of a certain standard of living. In a narrow sense, poverty (porper) is understood as a lack of money and goods to ensure survival. For academics, statisticians at BPS, and the government, "poverty" is defined and analyzed as people below the poverty line whose definitions vary.

According to BPS (2020) the measure of poverty is using the poverty line. Which consists of the food poverty line (GKM), and the non-food poverty line (GKNM). The food poverty line is the expenditure value resulting from the value of the minimum food requirement which is calculated at 2,100 calories per capita per day, while the non-food poverty line is calculated from the minimum need for clothing, education and health and other basic needs.

The definition of poverty in a broad sense is a limitation that is carried by a person, a family, a community, or even a country that causes discomfort in life, threatens the enforcement of rights and justice, threatens bargaining position (bargaining) in world relations, the loss of generations, and the gloom of the future. front of the nation and state. Developed countries that put more emphasis on "quality of life" which is expressed in terms of environmental change see that the rate of industrial growth does not reduce and even increases the level of air and water pollution, accelerates the depletion of natural resources, and reduces environmental quality. Meanwhile for developing countries, the relatively high economic growth in 1960 had very little effect in reducing poverty. The economic growth of a region can reflect the success of development in that region. If a region can increase its economic growth rate, then the region can be said to have been able to carry out economic development well. However, what remains a problem in this economic development is whether the economic growth that occurs in a region is evenly distributed throughout all levels of society. Expectations of high economic growth will be able to increase people's per capita income. When per capita income increases and is evenly distributed, social welfare will be created and inequality will decrease. There is a theory that there is a tradeoff between inequality and growth.(Findi & Zulia, 2017; Kadji, 2004).

According to(Utami & Desnormasari, 2019)There are three factors that cause poverty when viewed from an economic standpoint. First, poverty arises because of the unequal pattern of resource ownership which results in an unequal distribution of income. The poor have only limited and low quality

resources. Both poverty arise due to differences in the quality of human resources. Low quality of human resources means low productivity, which in turn means low wages. The low quality of human resources is due to low education, disadvantaged fate, discrimination or heredity. Third, poverty arises due to differences in access to capital.

According to the Government Work Plan for Poverty Reduction Priorities, the cause of poverty is equitable development that has not spread evenly, especially in rural areas. The poor population in rural areas in 2006 was estimated to be higher than the poor population in urban areas. Business opportunities in rural and urban areas have not been able to encourage income creation for the community, especially for poor households. Another reason is that the poor are unable to access basic services and facilities such as education, health, drinking water and sanitation, and transportation. Malnutrition still occurs among the poor. This is mainly due to the inadequate coverage of social protection for the poor. Social assistance to the poor,

(M. Subari, 2021) states that the poor have the abilityrelatively good to obtain resources through existing opportunities. Even though external assistance is sometimes used, it cannot be guaranteed that the community depends on external support. This empowerment approach is considered unsuccessful because no community can live and develop if it is isolated from other community groups. This isolation creates a passive attitude, even the situation is getting poorer.

Furthermore (Sulistiyani et al., 2019) states that poverty is a completely limited situation what happens is not the will of the person concerned. A population is said to be poor if it is characterized by low levels of education, work productivity, income, health

and nutrition as well as living welfare, which indicates a circle of powerlessness. Poverty can be caused by limited human resources, both through formal and non-formal education, which in turn has consequences for low informal education.

Emil Salim further stated five characteristics of the population poor. The five characteristics of the poor are:
1) Do not have their own factors of production,
2) Do not have the possibility to acquire production assets with their own strength,
3) Levelgenerally low education
4) Many of them do not have facilities, and
5) In betweenthey are relatively young and do not have adequate skills or education.

The World Bank (1990) in its report before UN members entitled "Poverty and Human Development' says that: "The case for human development is not only or even primarily an economic one. Less hunger, fewer child deaths, and better change of primary education are almost universally accepted as important ends in themselves" (human development is not only prioritized on the economic aspect, but what is more important is to prioritize aspects of education universally for the self-interest of the poor in order to improve their socio-economic life).

Booth and Me Cawley (Sulistiyani et al., 2019) that "in many countries it is there is an increase in the level of social welfare as measured by per capita income, but this can only be enjoyed by a small portion of the community, while the majority of the poor receive no benefits, and are even greatly disadvantaged". People living below the poverty line and their characteristics come first. Generally, a situation. It is called poor if it is marked by a deficiency or is unable to meet the level of basic human needs. Poverty includes non-fulfillment of basic needs which

include primary and secondary aspects. The primary aspect is poor knowledge and skill assets, while the secondary aspect is poor social networks, financial and informal sources, such as malnutrition, water, housing, poor health care and relatively low education.

Employment

According to law No. 13 of 2013 Article 1, concerning labor is everyone who is able to do work to produce goods and or services both to meet their own needs and for the community. Unemployment is the number of workers in the economy who are actively looking for work but have not found work (Manulang, Sendjung, 1998).

Unemployment Theory

There are several theories that explain the theories of unemployment in Indonesia, namely:

a. Classical Theory Classical Theory explains the view that unemployment can be prevented through the supply side and price mechanisms in a free market to ensure the creation of demand that will absorb all supply. According to the classical view, unemployment occurs because of a temporary mis-allocation of resources because it can then be overcome by the price mechanism (Gilarso, 2004). So in the Classical Theory if there is an excess supply of labor, wages will fall and this will result in a decrease in the company's production. So that the demand for energy will continue to increase because the company is able to expand production due to the benefits derived from the low cost. The next increase in labor is able to absorb excess labor in the market, if prices are relatively stable (Tohar: 2000).

b. Keynesian theory said that the contrary to the classical theory, according to Keynesian theory, the problem of unemployment actually occurs due to low aggregate demand. So that the hampered economic growth is not caused by low production but low consumption. According to Keynes, this cannot be delegated to the free market mechanism. When the workforce increases, wages will fall, this will be detrimental, not profitable, because a decrease in wages means a decrease in people's purchasing power for goods. In the end, producers will suffer losses and will not be able to absorb labor. Keynes advocated government intervention in maintaining the level of aggregate demand so that the tourism sector could create jobs (Soesastro, et al, 2005). It should be noted that the government is only tasked with maintaining the level of aggregate demand, while the provider of employment is the tourism sector. This has the goal of maintaining people's income so that people's purchasing power is maintained. So that it does not exacerbate the recession and is expected to be able to overcome unemployment due to the recession.

c. Malthus's Population Theory explains that population growth tends to outpace growth in food supply. In his original essay, Malthus presents his ideas in a fairly rigid form. He said that the population tends to grow geometrically (for example, in symbols 1, 2, 4, 8, 16 and so on) while the food supply tends to grow "arithmetically" (for example, in the series 1, 2, 3, 4, 5)., 6, 7, 8, and so on). In his later publications, Malthus emphasized his thesis again, but not as rigidly as

before, except that he said that population tends to grow indefinitely until it reaches a persed limit. No-Marxian Sociological Economic Theory Starting from Marx's analysis in the early 20th century about economic structures and processes that can be imagined as a system of competitive capitalism. The capitalist industries that existed at that time were still small and no one controlled the economy or controlled the market. However, Marx believed that at one time when capitalism had emerged so rapidly, there would be competition between industries which would become increasingly rapid and then produce a monopoly system from the strongest industry in the competition. With the emergence of this capital monopoly, there will be one big company that will control other companies in a capitalist economy. In the development of Marx's analysis adopted by the new Marxians, the concept of the "working class" does not describe a group of people or a particular group of jobs, but rather the buying and selling of labour. The workers do not have the means of production at all so that a group of people are forced to sell their power to a few people who have the means of production. From the description above, we can examine again that with the change between a competitive capitalist system towards a monopoly capitalist system, there will be several food manufacturing companies. From these two descriptions Malthus concluded that the quantity of people would fall into poverty and hunger. In the long run there is no technological progress that can change the situation because the increase in food supply is limited while "population growth is unlimited, and the earth is unable to produce food to maintain human survival". If we examine more deeply Malthus' theory which states that the population tends to grow indefinitely until it reaches the limit of food supplies, in this case it causes humans to compete with each other in ensuring their survival by finding food sources, with this competition some humans will be excluded and not able to get food again. In modern society it is interpreted that the more rapidly the population will produce more and more workers, but this is not matched by the existing job opportunities. Because of the small number of opportunities, humans compete with each other in getting jobs and those left out in this competition become the unemployed group. in this case it causes humans to compete with each other in ensuring their survival by finding food sources, with this competition there will be some humans who are left out and no longer able to obtain food. In modern society it is interpreted that the more rapidly the population will produce more and more workers, but this is not matched by the existing job opportunities. Because of the small number of opportunities, humans compete with each other in getting jobs and those left out in this competition become the unemployed group. in this case it causes humans to compete with each other in ensuring their survival by finding food sources, with this competition there will be some humans who are left out and no longer able to obtain food. In modern society it is interpreted that the more rapidly the population will produce more and more workers, but this is not matched by the existing job opportunities. Because of the small number of opportunities, humans

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The Open Unemployment Rate (TPT) provides an indication of the population of working age 15 years and over who is included in the unemployed group. The Open Unemployment Rate (TPT) is measured as the percentage of the number of unemployed/job seekers to the total labor force.

The formula:

$$TPT = \frac{\text{Unemployment number}}{\text{Total Work Force}} \times 100\%$$

The population in the labor force is the population aged 15 years and over who are working or have jobs while not working and are unemployed. The usefulness of this open unemployment indicator is as a government reference for opening jobs.

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Wage Theory

In economic theory, the definition of wages according to(Ibrahim et al., 2013)can be seen from 2 (two) parties, namely; First, for employers, wages are payments for physical or mental services provided by workers to employers. Thus, wages have an important role in determining the demand and supply of labor. Second, wage workers are divided into 2 (two) types, namely; money wages and real wages. What is meant by money wages is the amount of money received by workers from employers as payment for the physical or mental energy of workers used in the production process. While what is meant by real wages is the level of wages of workers as measured from the point of view of the ability of these wages to buy goods and services needed to meet the needs of workers received per month (Sukirno, DS and Siengthai, 2011).
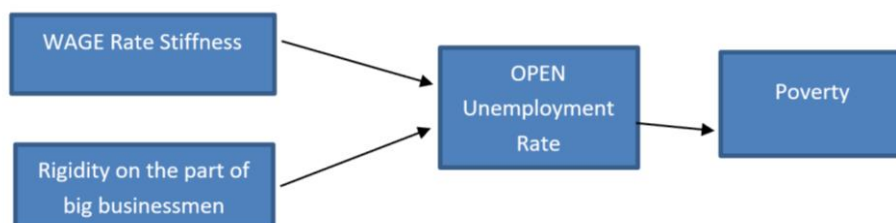
In Regulation of the Minister of Manpower and Transmigration Number 7 of 2013 article 1 concerning Minimum Wage is the lowest monthly wage consisting of basic wages including fixed allowances set by the governor as a safety net. Based on the recommendation from the wage council and is valid for 1 year running according to Permen No. 1 of 1999.

Provincial Minimum Wage (UMP) is the minimum wage that applies to all Regencies/Cities in one Province. This minimum wage is set once every year by the Governor based on the recommendation of the Research Commission on Wage and Social Security of the Regional Employment Council (now the Provincial Wage Council). Determination of the provincial minimum wage no later than 60 days prior to the effective date of the minimum wage, namely January 1.

There are two theories that put forward different unemployment countermeasures, namely the Classical Theory with the Keynesian Theory and the Mathus Theory.

Figure 1. Poverty Theory Framework

From the picture above it can be explained as follows:

1) Rigidity of Wage Rates

Labor unions are not willing to accept a lower wage rate, when they are willing to accept a lower wage rate, the demand for labor will increase, so that unemployment can be reduced.

2) The second rigidity arises from the big businessmen, who increase their monopoly power, so that they are more flexible in determining the market price level.

There are two theories that put forward different unemployment countermeasures, namely the Classical Theory and the Keynesian Theory. If we examine more deeply Malthus' theory which states that the population tends to grow indefinitely until it reaches the limit of food supplies, in this case it causes humans to compete with each other in ensuring their survival by finding food
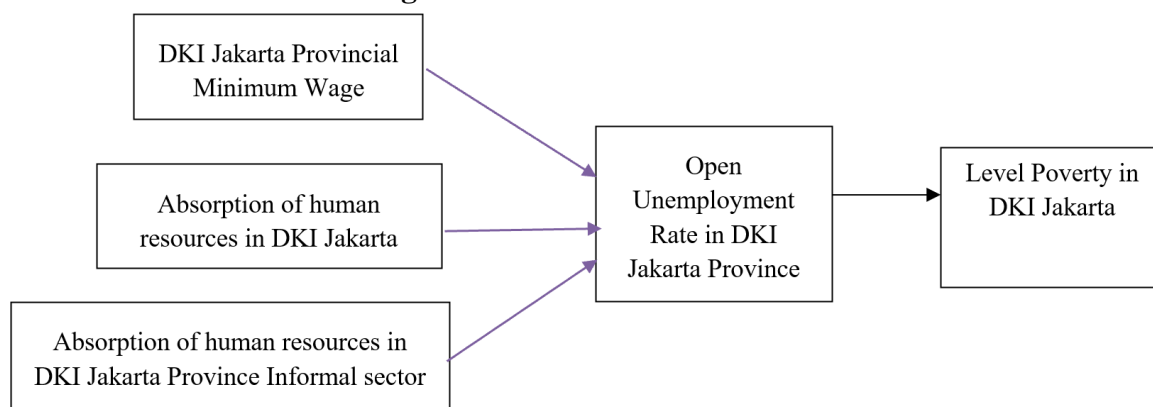
sources, with this competition some humans will be excluded and not able to get food again. In modern society it is interpreted that the more rapidly the population will produce more and more workers, but this is not matched by the existing job opportunities. Because of the small number of opportunities, humans compete with each other in getting jobs and those left out in this competition become the unemployed group.

A good framework must theoretically explain the link between the variables to be studied. So theoretically it is necessary to explain the relationship between the independent variables and the dependent variable. The framework for thinking describes the influence between the dependent variables, namely the number of poor people, the poverty rate and the open unemployment rate in DKI Jakarta Province. and independent variables namely Provincial Minimum Wage, Absorption of Human Resources in the Formal sector and the formal sector in DKI Jakarta Province.

The schematic framework of the hypothesis is as follows:

Figure 2. Research Framework

METHOD

The research design carried out in this paper uses associative research, which is research that aims to determine the influence or relationship between two or more variables (Sugiyono, 2017b). The type of data used in this study is data quantitative, namely research by obtaining data in the form of numbers or qualitative data that is numbered. This study uses secondary data sources according to (Sugiyono, 2017a)is a source that does not directly provide data to data collectors, but through other people or through documents.This research is a quantitative analysis study using inferential statistics, as the tools and techniques used to analyze data for explanation purposes. This means that the statistics of this model are only used for generalization purposes. This study aims to test the research hypothesis.

The variables used in this study consist of 2 (two) types of variables, namely: The dependent variable Y1 is the variable number of poor people, Y2 is the percentage of the Poverty Level, Z is the percentage of the Open Unemployment Rate in DKI Jakarta. While the independent variable X1 is the Provincial Minimum Wage variable in DKI Jakarta Province, X2 is the formal sector HR absorption variable in DKI Jakarta Province and X3 is the informal sector HR absorption variable in DKI Jakarta Province.

Simple linear analysis is used to see the influence or relationship between one independent variable and one dependent variable. Multiple regression analysis is used to see the effect or relationship between more than one independent variable on one dependent variable (Ferdinand, 2020). Multiple linear regression models are used to construct a relationship pattern between one effect variable and one or more causative variables. Goodness of Fit testing or statistical hypothesis testing in this research model includes:

a. Simultaneous significant testing

Simultaneous significant testing using the F Test statistic. Determining the critical value, the test is carried out using the F distribution by comparing the critical value with the $F_{count\ value}$ (Fratio) from the calculation results. The F test (overall test) in the Fstatistics test is a test that aims to determine the effect of all independent variables together on the dependent variable with the F statistical test. The F test statistic follows the F distribution with degrees of freedom as much as (k-1) for the numerator and (nk) for denumerators, where k is the number of parameters referred to as

intercepts/constants, while n is the number of observations (Ferdinand, 2020).

b. Partial Regression Coefficient Testing

Testing each regression coefficient partially using the t test. The t test is a partial test to see the effect of each independent or independent variable (X) having a significant or partial effect on the dependent or dependent variable (Y).

RESULTS AND DISCUSSION

The analysis of the influence of the provincial minimum wage, the absorption of human resources in the formal and informal sectors on the unemployment rate in the province of DKI Jakarta in model 1 has fulfilled the assumptions that apply in the multiple linear regression analysis based on Ordinary Last Square (OLS), and based on the results of the classical assumption test. above, the linear regression model, both for the multiple linear regression model in model 1 and the simple regression model in model 2, is then analyzed with the effect test between the independent variables and the dependent variable. Regression analysis using eviews version 10.0 software as follows:

Table 3. Results of multiple linear regression analysis Model 1 (t-statistic/partial)

Variables	coefficient	std. Error	t-Statistics	Prob.
C	14.01204	9.717754	1.441901	0.1994
(LOG)INFORMAL	0.001206	0.001532	0.787138	0.0412
(LOG)FORMAL	0.016814	0.114514	0.146831	0.0281
(LOG)UMP	2.362007	1.52E-06	0.155365	0.0016

R-squared	0.866126	Mean dependent var	7.917000
Adjusted R-squared	0.849189	SD dependent var	1.613251
SE of regression	1.573074	Akaike info criterion	4.033114
Sum squared residue	14.84736	Schwarz criterion	4.154148
Likelihood logs	-16.16557	Hannan-Quinn criter.	3.900340
F-statistics	1.155201	Durbin-Watson stat	2.385206
Prob(F-statistic)	0.000925		

Source: results of data processing Eviews V.10, 2022

Multiple Liner Regression Analysis (Model 1):

The influence of the provincial minimum wage, the absorption of human resources in the formal and informal sectors on the unemployment rate in DKI Jakarta Province:

With the equation:

Model I

$Y = \beta_0 + \beta_1 X1 + \beta_2 X2 + \beta_3 X3 + \varepsilon t$

Based on table 4.19, the regression equation is obtained as follows:

$\hat{Y} = 14.01204 + 2.362007 * LOG(X1\_UMP) + 0.016814 * LOG(X2\_FRMAL) + 0.001206 * LOG(X3\_INFRML) + e$

a. A constant of 14.01204 is positive, the influence of the provincial minimum wage, the absorption of human resources in the formal and informal sectors0 thenunemployment rate in DKI Jakarta provinceincreased by 14.01204

b. Regression coefficientinfluence of the provincial minimum wage(X1) of 2.362007 means every one-unit increaseminimum wage effectwill improveunemployment rate in DKI Jakarta provinceof 2.362007 with the assumption that other variables have a fixed value.

c. Regression coefficientabsorption of formal sector human resources(X2) of 0.016814 means a one-unit increaseabsorption of formal sector human resourceswill improveunemployment rate in DKI provinceof 0.016814 with the assumption that other variables have a fixed value.

d. Regression coefficientInformal sector HR absorption(X2) of 0.001206 means a one-unit increaseabsorption of formal sector human resourceswill improveunemployment rate in DKI provinceof 0.001206 with the assumption that other variables have a fixed value.

Table 4. Results of multiple linear regression analysis Model 2
(F statistic or Simultaneous)

Dependent Variable: KMSKNN01
Method: Least Squares
Date: 12/03/22 Time: 05:09
Sample: 2012 2021
Included observations: 10

Variables	coefficient	std. Error	t-Statistics	Prob.
C	4666321	321.0841	14.53302	0.0000
LOG(PNGGRN01)	44.21389	8.082379	5.470406	0.0006
R-squared	0.789059	Mean dependent var		6138,000
Adjusted R-squared	0.762692	SD dependent var		1137774
SE of regression	554.2587	Akaike info criterion		15.65000

Sum squared residue	2457621.	Schwarz criterion	15.71051
Likelihood logs	-76.24998	Hannan-Quinn criter.	15.58361
F-statistics	29.92534	Durbin-Watson stat	1.314226
Prob(F-statistic)	0.000594		

Source: results of data processing Eviews V.10, 2022

Model II (Recursive Method)

$$Z = \beta o + \beta \hat{Y} + \varepsilon t$$

Based on the table above, the regression equation is obtained as follows:

Z=4666321+44.21389*LOG(X1_PNGGRN) + e

a. A constant of 4666,321 is positive, the effect of the open unemployment rate on0 thenDKI Jakarta province's poverty rateincreased by 4666,321

b. Regression coefficient of 44.21389 Open unemployment coefficient (Y) of 44.21389 means that every one-unit increaseinfluenceopen unemployment will improvepoverty rate in DKI Jakarta provinceof 44.21389 with the assumption that other variables have a fixed value.

Hypothesis test
f-Statistics test results

From the regression table, we can see that the UMP variable, the formal and informal sector human resources together have a p-value of 0.000 <0.05, which means that together or simultaneously the UMP variable, the formal and informal sector human resources have a significant positive effect to the open unemployment rate in DKI Jakarta Province.

T-Statistics test results

a. The significance value of X1 is the provincial minimum wage0.0412 is smaller than 0.005then H0 is rejected and Ha is accepted. This means that X1 the provincial minimum wage is positively correlated and has a significant effect on the poverty rate in the DKI Jakarta province. This result is in line with the first hypothesis which states that the provincial minimum wage is positively correlated and has a significant effect on the open unemployment rate in the DKI Jakarta province.

b. The significance value of X2 is the absorption of formal sector human resources as big 0.0281 is smaller than 0.005then H0 is rejected and Ha is accepted. This means that X2 absorption of formal sector human resources positively correlated and has a significant effect on the open unemployment rate. This result is in line with the first hypothesis which states that the absorption of human resources in the formal sector positively correlated and has a significant effect on the open unemployment rate.

c. X3 significance value absorption of human resources in the informal sector as big0.0016 is smaller than 0.005then H0 is rejected and Ha is accepted. This means that X2 absorption of human resources in the informal sector positively correlated and has a significant effect on the open unemployment rate. This result is in line with the first hypothesis which states that human resources are in the informal sector positively correlated and has a significant effect on the open unemployment rate.

d. The significance value of the open unemployment rate as big 0.006 is smaller

than 0.005 then H0 is rejected and Ha is accepted. This means that Y the open unemployment rate is positively correlated and has a significant effect on the poverty rate in the DKI Jakarta province. This result is in line with the first hypothesis which states that the open unemployment rate is positively correlated and has a significant effect on the poverty rate in the DKI Jakarta province.

Determination Test

The coefficient of determination is used to determine the percentage contribution of the influence of variables X1, X2, X3 (Independent Variables) on variable Y (Inherent Variables) and the influence of variables X1, X2, X3 (Independent Variables) on variable Z (Dependent Variables). To see how much influence this has, it is usually expressed in the form of a percentage (%).

a. Based on the results of the table above, it can be seen that the value of Adjush R Square is 0.849189. This shows that the independent variables are the provincial minimum wage, the absorption of human resources in the formal and informal sectors, the unemployment rate in the province of DKI Jakarta explains 84.0%, of which the remaining 16.0% is influenced by other variables outside the regression model of this study.

b. Based on the results of the table above, it can be seen that the value of Adjush R Square is 0.762692. This shows that the independent variable is the unemployment rate in DKI Jakarta provinceon the poverty rateexplains 76.0%, of which the remaining 24.0% is influenced by other variables outside the regression model of this study.

Data interpretation and discussion

From the regression table, we can see that the UMP variable, the formal and informal sector human resources together have a p-value of 0.000 <0.05, which means that together or simultaneously the UMP variable, the formal and informal sector human resources have a significant positive effect on the level open unemployment in DKI Jakarta Province.

The provincial minimum wage is positively correlated and has a significant effect on the poverty rate in the DKI Jakarta province. This result is in line with the first hypothesis which states that the provincial minimum wage is positively correlated and has a significant effect on the open unemployment rate in the DKI Jakarta province.

Study conducted by the World Bank Indonesia shows that every 10% increase in the UMK figure will have an impact on an increase in unemployment of 0.8% in cities that apply the UMK/UMP. This means that there is a loss of job opportunities of 0.8% for every 10% increase in the MSE. The loss of this 0.8% figure is huge. If a city has a productive population of 2 million, this means that this city will lose 16,000 job opportunities a pretty massive number.

Absorption of human resources in the formal sector positively correlated and has a significant effect on the open unemployment rate. This result is in line with the first hypothesis which states that the absorption of human resources in the formal sector positively correlated and has a significant effect on the open unemployment rate.

When viewed based on the characteristic aspects of workers during working hours. Additional working hours for formal sector workers can increase the

company's ability to produce will be even greater, so that companies will absorb more labor and reduce the unemployment rate more for production activities. In addition, operational and production activities in the formal sector will reduce the number of workers when these workers enter old age. Then, the effect of the increase in the minimum wage that occurs in formal sector workers will be followed by a decrease in the unemployment rate.

X3 significance value absorption of human resources in the informal sector as big0.0016 is smaller than 0.005then H0 is rejected and Ha is accepted. This means that X2 absorption of human resources in the informal sector positively correlated and has a significant effect on the open unemployment rate. This result is in line with the first hypothesis which states that human resources are in the informal sector positively correlated and has a significant effect on the open unemployment rate.

The significance value of the open unemployment rate. as big0.006 is smaller than 0.005then H0 is rejected and Ha is accepted. This means that Y the open unemployment rate is positively correlated and has a significant effect on the poverty rate in the DKI Jakarta province. This result is in line with the first hypothesis which states that the open unemployment rate is positively correlated and has a significant effect on the poverty rate in the DKI Jakarta province.

Some recommendations after conducting research include:

1. It is very important that wage policies are carried out so that workers get wages that are not too low. Wages that are too low can result in low levels of education, health and productivity at work.
2. It is necessary to make employment policies in which the government must create as many jobs as possible, for example the government opens job vacancies for civil servant positions, besides that the government also encourages the private sector to open as many jobs as possible. So that it can overcome the absorption of formal sector human resources and and reduce the open unemployment rate.
3. This is because the absorption of human resources in the formal sector in large companies is only 10 percent and it turns out that the remaining 90 percent comes from MSMEs which are part of the absorption of human resources in the informal sector.it is necessary to have more DKI Jakarta government support for the formation of MSMEs so that more people can play a role in MSMEs and optimal absorption of human resources in the informal sector can overcomeopen unemployment.
4. There is a need for human resource management by developing the concept of community-based economic development (CBED) with a foundation of trust and benefits for all parties. Through community organizing or local institutions in the community, one of which is the development of a sustainable tourism industry which can reduce the open unemployment rate by not marginalizing the population of Jakarta so that it can reduce the poverty rate in DKI Jakarta province.
5. For further research, it is suggested to add variables such as inflation, economic growth and other variables as well as expand the research object in order to get more varied and representative results. Meanwhile, the local government must pay special attention to the less fortunate in terms of finding or working

opportunities in DKI Jakarata so that there is a reduction in the poverty rate, for example by providing soft loans without collateral for working capital for small businesses.

CONCLUSION

Based on the results of the research data analysis, several conclusions can be drawn, including from the regression table we can see that the Provincial Minimum Wage variable, formal and informal sector HR absorption simultaneously or simultaneously have a significant positive effect on the open unemployment rate in DKI Jakarta Province; the provincial minimum wage has a positive correlation and has a significant effect on the open unemployment rate in DKI Jakarta province; absorption of formal sector human resources positively correlated and has a significant effect on the open unemployment rate; absorption of human resources in the informal sector positively correlated and has a significant effect on the open unemployment rate; and the open unemployment rate is positively correlated and has a significant effect on the poverty rate in DKI Jakarta province.

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