



The Effect of Infrastructure, Investment, and Economic Growth on Community Welfare Through Employment Opportunities in Indonesia

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Article Information

Article of History:

Received December 2022

Approved March 2023

Published March 2023

ABSTRACT

Employment opportunities and community welfare are related, the opportunity for people who work will earn income for the community to fulfill their daily needs which is described by community welfare. This study used secondary data obtained through the Central Bureau of Statistics, then analyzed using path analysis techniques with the help of Eviews 12. The results showed that infrastructure and investment had a negative and insignificant effect on employment opportunities, but economic growth had a significant negative effect on employment opportunities. Infrastructure and investment have a positive and insignificant effect on the welfare of the community, economic growth has a negative effect and does not have a significant effect on the welfare of the community. Opportunity to work has a positive and significant impact on the welfare of masyarakat. Infrastructure has no other direct effect on the welfare of the people, while investment and economic growth can have an indirect effect on the people's welfare through the opportunity to work in Indonesia.

Keywords: Infrastructure, Investment, Economic Growth, Employment Opportunities, Public Welfare.

JEL Classification Code: E22, F43, F66

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DOI: <http://dx.doi.org/10.21107/mediatrend.v17i1.19441>

INTRODUCTION

Economic development basically aims to improve people's welfare, by making changes to its economic, political, and socio-cultural aspects. Successful development can be achieved by making designs that can overcome problems and improve the economy which will have an impact on people's welfare (Indrayanti, 2020). Community welfare can be interpreted as an indicator of success in improving people's lives which includes increasing income, increasing fulfillment of needs, increasing levels of education, and increasing from a social perspective. To see the extent to which development has been successful, the United Nations Development Program (UNDP) has created an indicator to measure people's welfare, namely the Human Development Index (IPM). The Human Development Index describes how citizens can access development outcomes in terms of education, health, income, and so on. HDI indicators include life expectancy, knowledge, and a decent standard of living. (Mulia & Saputra, 2020).

Indonesia is a developing country that is faced with welfare problems (Febrianti, 2021). Based on data from the National Socioeconomic Survey (Susenas) by the Central Bureau of Statistics (BPS), only 21.9% of Indonesian people who are categorized as prosperous are occupied by the upper class, the rest are lower-class residents who are not yet fully prosperous. This inequality is a fairly serious problem in Indonesia and must be addressed immediately. One way to overcome wealth inequality is to create new job opportunities for the community. Community welfare and employment opportunities have a close and interrelated relationship, where employment opportunities are reflected by the number of working people, and describe the role of the community in achieving development goals, namely community welfare (Awandari & Indrajaya,

2016) Employment opportunities are conditions that describe availability of jobs for job seekers. The existence of broad employment opportunities is expected to be able to absorb labor, and working people can earn income, where income is categorized as an indicator of welfare (Saputra et al., 2021).

Expansion of employment opportunities is not only from an economic standpoint but also socially. In addition to creating new jobs, expanding employment opportunities can also increase people's income. This will also indirectly minimize the occurrence of social problems in people's lives (Dona et al., 2018). In fact, the available job opportunities in Indonesia are not in accordance with the number of existing workforce. Unemployment is the gap between the labor force and the number of people working. Labor absorption is still a major problem in the Indonesian economy as indicated by the high unemployment rate in Indonesia (Saraswati et al., 2022).

The condition of Indonesian employment opportunities for five years from 2017-2021 has fluctuated, the cause of this condition is because Indonesia's population growth continues to increase every year but is not followed by very limited available job opportunities. This is in line with (Tapparan, 2017) High population growth results in an increasing labor force, but this high labor force is not matched by the number of available jobs, so this can result in the creation of unemployment. According to the Central Bureau of Statistics, Indonesia's unemployment rate in 2021 is 9.1 million people with a total workforce of 143.72 million people. This means that the existing job opportunities have not been able to accommodate the entire workforce so many people are unemployed.

High unemployment causes the Indonesian economy to be unstable and can affect people's welfare. The role of the

government is needed to improve people's welfare, one of which is by building road infrastructure. Road infrastructure is a vital and very basic aspect, because it can create connectivity, expand employment opportunities and improve people's welfare (Widodo et al., 2018). Road infrastructure development has an important role in economic activity. Adequate road infrastructure has a positive impact on economic growth because it can smooth the flow of distribution of production and can encourage foreign investors to invest. In carrying out road infrastructure development, it can open new job opportunities, because in this process it requires manpower so that it can be achieved in accordance with the objectives (Fahmi, 2022).

According to the Central Bureau of Statistics, the development of Indonesia's road infrastructure has increased every year, the highest in 2021, which is 548,423 km long, and the lowest in 2017, 539,353 km long. However, this increase was not evenly distributed throughout Indonesia. The condition of Indonesia's infrastructure in the Information Book (Ministry of PUPR, 2021) PUPR Infrastructure Statistics 2021 notes that the condition of national roads in Indonesia as a whole is in a steady state with a percentage of 91.27%. The province with the highest road stability was Yogyakarta with a percentage of 99.71%, while the province with the lowest road stability was West Papua with a percentage of 69.33%. This means that on an inter-regional basis, the West Region of Indonesia (KBI) gets greater benefits compared to the Eastern Region of Indonesia (KTI). The imbalance in road infrastructure development in regions in Indonesia causes the flow of economic activity to be constrained (Sukwika, 2018)

Good infrastructure development will encourage the creation of good investments as well. Investment is an expense for the purchase of capital goods to increase production capacity with the

aim of gaining profit (Sari et al., 2016). According to (Maryaningsih et al., 2015) the creation of good infrastructure will make a positive contribution to the investment climate which will have an impact on economic improvement and community welfare. Infrastructure development is inseparable from investment activities, especially foreign investment. Foreign investment occupies an important position in economic development in Indonesia because, in fact, the main source of development funds comes from foreign investment although normatively it must be placed as an additional source (Fatimah et al., 2022).

According to the Central Bureau of Statistics 2021, the investment conditions for foreign investment in Indonesia were unstable, in 2017 foreign investment was US\$32239.8 million, then from 2018 to 2020 it decreased and in 2021 it again increased by US\$31093.1 million. Based on data released by the Ministry of Investment (BKPM) for 2021, there are several countries investing in Indonesia, namely, Singapore (34.8%), Hong Kong (15.0%), R.R China (13.2%), Japan (8, 0%) and the United States (6.1%). The biggest contributor to foreign investment was from the base metal industry, metal goods, not machinery, and equipment, amounting to 21.8%. The largest project location is in West Java with 13.8, while the country of origin of the largest investment is Singapore with 32.0%. The absorbed Indonesian workforce was 912,402 people in domestic and foreign investment companies, this absorption resulted from investment in the labor-intensive sector. This means that investment has a role in expanding employment opportunities, although overall not as much as other sectors.

The Indonesian government provides convenience for investors to invest, such as ease of licensing, and ease of obtaining raw materials. On the

other hand, uneven road infrastructure causes investor confidence to fall, because infrastructure occupies an important position in the flow of goods distribution. This is in accordance with (Hellen et al., 2017) one of the indicators that investors see is good infrastructure, if the infrastructure is adequate then the level of investment is also high and vice versa. In simple terms, an increase in investment can also encourage economic growth. Economic growth is a parameter used to measure the improvement of a country's economy (Nisa & Handayani, 2021). This is in accordance with (Diannita & Wenagama, 2019) Economic growth is used as an indicator of the success of government performance in increasing economic development in each country. Economic growth is one of the indices of achieving development, the higher the economic growth, the higher the welfare of society (Waryanto, 2017). Economic growth is an increase in per capita output in a country for a certain period (Mintarti, 2017).

Research on road infrastructure conducted by (Warsilan & Noor, 2019) shows that road infrastructure has a significant effect on economic growth. Increased infrastructure development will be able to make a country's economy also good. According to (Dona et al., 2018) research on economic growth on employment opportunities shows that economic growth has a significant effect on employment opportunities, with good economic growth, the government can allocate a budget for expanding employment opportunities. This is in line with (Afiat, 2017) that economic growth has a significant effect on employment opportunities, with economic growth moving other sectors so that from the production side it will require labor for production activities. Meanwhile, according to (Mulia & Saputra, 2020) economic growth has a significant effect on people's welfare. as an indicator of social welfare.

According to (Norlita, 2018) infrastructure and investment have a positive and significant effect on economic growth. With the availability of good infrastructure, economic activity will run smoothly and be able to attract investors to invest. Infrastructure and investment are one of the factors that can increase economic growth, increased economic growth will increase people's income. With an increase in income, the purchasing power of the people in meeting the necessities of life is better, this shows that people's welfare is increasing. Meanwhile, according to (Ningrum et al., 2020) that economic growth does not significantly affect the Human Development Index (IPM), economic growth has not reached all sectors, especially the education and health sectors where according to UNDP these two sectors are important in human development so that grow the economy cannot affect the increase in the Human Development Index in Indonesia (IPM). This is according to (Mahmut et al., 2022) regarding the analysis of public welfare that economic growth and investment have no significant effect on people's welfare.

In addition, according to (Nisa & Handayani, 2021) investment and economic growth have no significant effect on people's welfare. According to him, the uneven achievement of economic growth and investment makes these two variables insignificant to people's welfare. This is in line with (Dharma & Djohan, 2015) which state that investment and economic growth have no significant effect on employment opportunities. increased investment and economic growth lead to capital-intensive rather than labor-intensive so they cannot have an impact on expanding employment opportunities. According to (Yasa & Arka, 2015) which states that economic growth has a positive and significant effect on people's welfare. This is consistent with (Saputra et al., 2021) that economic growth has a positive and significant

effect on employment opportunities. This is not in line with research conducted by (Rimbawan, 2012) that economic growth has no significant effect on employment opportunities, meaning that the ability of economic growth to create job opportunities is still low.

According to (Fatimah et al., 2022) research on the effect of investment on economic growth, states that investment has a significant impact, if a country's investment level continues to increase every year then economic growth will also follow. Research conducted by (Suharlina, 2020) shows that investment can have an impact on people's welfare through employment opportunities, although not as much as in other sectors. The majority of job opportunities are found in labor-intensive industries. However, according to (Tapparan, 2017) that investment has no significant effect on employment opportunities, this result is different from the theory which says that the greater the investment value made or invested by a company, the greater the additional use of labor.

Furthermore, according to (Hendarmin, 2012) that economic growth, investment, and employment opportunities have a significant effect on people's welfare. Research conducted by (Awandari & Indrajaya, 2016) shows that infrastructure, investment, and economic growth have a positive effect on employment opportunities. Economic growth infrastructure and employment opportunities have a positive effect on people's welfare, investment does not have a significant effect on people's welfare. According to (Sulistiawati, 2012) economic growth and investment have a positive relationship to social welfare. Investment has a significant effect on employment. What's new in this study is that the sample was taken five years with panel data, in previous studies used more samples with time series data. This

research uses investment variables with foreign investment indicators (million US\$, infrastructure with road length indicator (km), economic growth (constant price GDP), employment opportunity (the employment rate) as intervening variables, and community welfare with indicators (human development index). In previous studies, inflation, education, and wages were used to determine the effect of employment opportunities. As well as the variables of poverty, unemployment, and economic growth to determine the effect on people's welfare.

Infrastructure, investment, and economic growth have an interrelated relationship, good infrastructure will increase investment and will lead to increased economic growth. In fact, Indonesia's road infrastructure and investment are increasing every year, followed by economic growth which has also increased but has not been able to improve people's welfare, which is reflected in Indonesia's volatile level of employment opportunities. Therefore, the purpose of this study was to determine the effect of infrastructure, investment, and economic growth on people's welfare through employment opportunities and what policies the government should implement to improve people's welfare in Indonesia through employment opportunities.

METHODOLOGY

The research method used in this study is a descriptive method with a quantitative approach, using a quantitative method because research data is in the form of numbers and analysis uses statistics (Hardani et al., 2020). This research uses secondary data with panel data from 38 provinces in Indonesia from the 2017-2021 period sourced from the Central Statistics Agency (BPS) www.bps.go.id and related agencies related to this research. The data used in this study is in accordance with research (Awandari & Indrajaya,

2016) including road infrastructure data (X1) using road length indicators (km), investment (X2) with foreign investment indicators (PMA) (millions of US \$), economic growth (X3) with indicators (GDP at constant prices) (%), employment opportunities (Z) with indicators of the level of employment and social welfare (Y) with indicators of the human development index. Based on the dependent variable, there are two dependent variables so there are two tests, namely substructure 1 and substructure 2 with the econometric model as follows:

$$Y_{it} = \beta_0 + \beta_1 X1 + \beta_2 X2 + \beta_3 X3 + e$$

$$Y_{it} = \beta_0 + \beta_1 X1 + \beta_2 X2 + \beta_3 X3 + \beta_4 X4 + e$$

Y is Community Welfare, β_0 is Intercept, $\beta_1, \beta_2, \beta_3$ is Partial Regression Coefficient, X1 is Infrastructure, X2 is Investment, X3 is Economic Growth, X4 is Job Opportunity, e is error, i is cross section (province), t is the time series (years). Data analysis techniques use path analysis techniques (path analysis), path analysis is an extension of multiple linear regression analysis, to assess the causality relationship between model variables (casual model) tiered based on theory. This analysis is used to determine the direct relationship of the independent variables to the dependent variable and the indirect relationship through the intervening variables. The path coefficient calculation was carried out by means of regression analysis through the Eviews 12 for Windows software.

The data collection technique in this study was the method of literature and documentation by studying books, articles, and scientific papers in the form of theses, theses, journals, and documents available from relevant agencies regarding

infrastructure, investment, economic growth, employment opportunities, and community welfare in Indonesia. The population in this study is community welfare, employment opportunities, infrastructure, investment, and economic growth. While the sample was used for five years from 2017-2021. In estimating panel data, three approaches can be used, namely the Common Effect Model (CEM), the Fixed Effect Model (FEM), and also Random Effect Model (REM). In choosing which method is considered the best, three tests will be carried out, namely the Chow test to determine the best method among CEM or FEM, if the best model chosen is FEM, then testing is carried out again by conducting the Hausman Test to determine the best method between FEM or REM.. If the model chosen in the Hausman test is REM, it is necessary to re-test it by conducting the LM (Lagrange Multiplier Test) test to ascertain which model is the best model between CEM and REM..

RESULTS AND DISCUSSION

Based on Table 1.1, it can be described that each variable consists of 168 data. Community Welfare (Y1) shows a minimum value of 9071.000 and a maximum value of 10052.00 with a standard deviation of 262.2824. While the average or mean value is 9700,982, meaning that of all samples, the average social welfare is 9,700,982, this figure is high because it is close to the maximum number. Job opportunity (Y2) has a minimum value of 59.09000 and a maximum value of 81.11000 with a standard deviation value of 0.082277 while the average or mean value is 3.983546. This shows that the average employment rate is normal, which corresponds to the current condition of Indonesian employment opportunities.

Table 1.
Descriptive Statistics

	Y1	Y2	X1	X2	X3
Mean	9700.982	70.71607	1557.524	851.6440	3.684643
Median	9671.000	70.90500	1291.000	306.3000	4.695000
Maximum	10052.00	81.11000	6591.000	5881.000	20.60000
Minimum	9071.000	59.09000	186.0000	5.900000	-15.74000
Std. Dev.	262.2824	3.983546	1059.281	1157.461	3.963128
Skewness	-0.318477	0.073417	2.684192	2.199902	-0.471606
Kurtosis	1.978657	4.201905	12.39215	8.000592	8.331073
Jarque-Bera	10.14197	10.26295	819.2241	310.5494	205.1700
Probability	0.006276	0.005908	0.000000	0.000000	0.000000
Sum	1629765.	11880.30	261664.0	14.30762	619.0200
Sum Sq. Dev.	11488273	2650.063	1.87E+08	2.24E+08	2622.966
Observations	168	168	168	168	168

Source: Analysis Results

Infrastructure(X1) shows a minimum value of 186.0000 and a maximum value of 6591.000 with a standard deviation value of 1059.281. While the average or mean value is 1557,524, this value indicates Indonesia's infrastructure is at a low level, this is in line with Indonesia's condition that infrastructure development is still uneven and still needs to be improved. Investment (X2) shows a minimum value of 5.900000 and a maximum value of 5881.000 with a standard deviation value of 1157.461 While the average or mean value is 851.6440. which is not good. Economic growth (X3) shows a minimum value of -15.74000 and a maximum value of 20.60000 with a standard deviation value of 3.963128. Meanwhile, the average or mean value is 3.684643. This value indicates that economic growth is at a low level, this is in line with Indonesia's condition that economic growth is not in good condition.

Based on Table 2 of the Chow test on model 1, the value obtained for the chi-square probability is 0.0896 more than 0.05, meaning that the best model is the Common Effect Model (CEM), so the Hausman test is not necessary. Based on the Lagrange Multiplier model 1 test, the cross-section probability value is 0.7081, more than 0.05, meaning that the most appropriate model is the Common Effect Model (CEM). Chow test model 2 probability value obtained is 0.0000 more than 0.05, meaning that the best model is the Fixed Effect Model (FEM), so it is necessary to do the Hausman test. Based on the Hausman model 2 test, the REM model shows as a better model to use compared to the FEM model because the cross-section probability value is 0.2579, which is more than 0.05.

Table 2.
Selected Panel Data Regression Estimation Results

Variable	Coefficients, Standard Errors, and Probabilities	Model 1	Model 2
		PLS	REM
X1	Coefficients	-0,009574	5.44E-05
	Standard Errors	0,021223	0,000325
	Probabilities	0,065*	0,867*
X2	Coefficients	-0,018805	3.18E-05
	Standard Errors	0,021223	0,000116
	Probabilities	0,336**	0,784*
X3	Coefficients	-23,81507	-0.006993
	Standard Errors	4,809157	0,012566
	Probabilities	0,000***	0,578**
Y1	Coefficients		0,001645
	Standard Errors		0,000182
	Probabilities		0.000***
Chow Test	Probabilities	0,0896	0,0000
Hausman Test	Probabilities		0.2579
LM Test	Probabilities	0,7081	0,0000
Autocorrelation Test	Probabilities	0,1745	0,3399
Multicollinearity Test	VIF X1	1.153816	1.136521
	VIF X2	1.000000	3.098054
	VIF X3	0.188265	5.147601
	VIF Z		2.312109
Heteroscedasticity Test	Probabilities	0,1470	0,8071

Source: Analysis Results

Description: **,*,* significant at 1%, 5%, or 10%

That is, the best model between FEM and REM is the Random Effect Model (REM). Based on the results of the Lagrange Multiplier Test, the value of the probability in the cross-section is 0.0000. The results obtained in the Lagrange Multiplier Test are the probability values that exist in the cross-section F of 0.0000 more than 0.05, thus H0 is accepted and H1 is rejected. This means that the Random Effect Model (REM) shows a better model to use compared to using the CEM model, this is caused by the value of the probability that exists in the cross-section which is smaller or lower than $\alpha = 0.05$ (5 %). That is, the best model between REM and CEM is the Random Effect Model (REM).

Based on Table 2 in Model 1, the normality test obtained a probability value

of 0.715628 more than 0.05, meaning that H0 is accepted and it can be concluded that the data is normally distributed. Model 2, obtained a probability value of 0.403300 more than 0.05, meaning that H0 is accepted and it can be concluded that the data is normally distributed. The heteroscedasticity test was applied to determine the value of the regression residual variable from one observation to another the same or different. In other words, heteroscedasticity is the presence of variance inequality in the regression model from the residuals in all observations (Prayitno & Yustie, 2020). Heteroscedasticity testing in this study was carried out with the white test. Whether there is heteroscedasticity or not can be known from the probability

value Obs*R-square which will later be compared with the level of significance. If the significance probability value is more than 0.05, it can be concluded that there is no heteroscedasticity. Based on Table 2 in Model 1, a probability value of 0.1470 is obtained, more than 0.05. Whereas in model 2, a probability value of 0.8071 is obtained, more than 0.05. This means that the Chi-Square value is more than α from the two models, in this case, H0 is accepted so it can be concluded that there is no heterogeneity.

Correlation between disturbing errors in period t and disturbing errors in the previous period (t-1) (Prayitno & Yustie, 2020). The autocorrelation test in this study used the Breusch Godfrey method or better known as the Lagrange multiplier (LM) test. by looking at the Obs*R-Squared probability value with a significance level of 0.05. If the Obs* R-Squared probability value in this study is greater than 0.05, it can be concluded that the data is free from autocorrelation. Based on Table 2 in Model 1, a probability value of 0.1745 is obtained, more than 0.05. Whereas in model 2, a probability value of 0.8071 is obtained, more than 0.05. it means that the Chi-Square value is more than α from the two models, in this case, H0 is accepted so it can be concluded that there is no heterogeneity.

This test was carried out on the regression equation to see whether there is a perfect/almost perfect correlation between the independent variables that make up the equation (Prayitno & Yustie, 2020). To detect the existence of multicollinearity, this can be confirmed by the Variance Expansion Factor (VIF) value. If 10 or less, the model has no multicollinearity. Based on Table 2 in Model 1, the VIF value for the infrastructure variable is 1.153816 less than 10. The VIF value for the investment variable is 1.000000 less than 10, and the VIF value for the economic growth variable is 0.188265 less than 10. Meanwhile, in

model 2, the VIF value for the variable infrastructure of 1.136521 is less than 10. The VIF value on the investment variable is 3.098054 less than 10, the VIF value on the economic growth variable is 5.147601 less than 10 and the VIF value on the employment variable is 2.312109 less than 10. It can be concluded that all variables are good from the model Neither 1 nor 2 contains multicollinearity because it is less than 10.

The test results of the employment opportunity variable as an intervening variable influencing infrastructure on people's welfare show that the z count is -0.272 less than 1.96. This means that H0 is accepted and H1 is rejected, it can be concluded that the infrastructure variable affects the welfare of the community not through the intervening variable of employment opportunities. The test results for the employment opportunity variable as an intervening variable for the effect of investment on people's welfare get the result that the z count is 2.70E-01, more than 1.96. This means that H0 is rejected and H1 is accepted. It can be concluded that the intervening variable of employment opportunities relates to the effect of the investment variable on social welfare. The results of testing the employment opportunity variable as an intervening variable on the effect of economic growth on people's welfare get the result that the z count is -2.41E-01 more than 1.96. This means that H0 is rejected and H1 is accepted, it can be concluded that the intervening variable of employment opportunities mediates the influence of economic growth variables on social welfare.

The infrastructure variable (X1) with a value of -0.009574 has a negative and insignificant effect on people's welfare because it has a probability value of more than 0.05, which is equal to 0.065. This means that infrastructure has no effect on people's welfare. Based

on previous research, these results are not in line with (Muliadi & Amri, 2019) that road infrastructure has a significant effect on community welfare. Basically, infrastructure is a very vital tool as a link for economic activity, but in this study, the results did not show that infrastructure had a significant effect. According to him, infrastructure has a very close relationship to people's welfare through employment opportunities, because the existence of road construction activities will indirectly absorb the workforce around the project to complete the construction.

Infrastructure development has not been able to improve people's welfare. Improving the road infrastructure, can attract investors to invest and will require labor, this indicates that infrastructure will create job opportunities that indirectly improve people's welfare. In addition, adequate road infrastructure can also facilitate the economic and social activities of the community. Welfare is the goal of the successful development of a region. A quite different situation is shown in Indonesia, where an increase in road infrastructure actually reduces the level of people's welfare. The reason is that infrastructure development is not evenly distributed throughout Indonesia so the workforce absorbed is also uneven and the workforce needed is only rough labor. To overcome this, the government must arrange more mature planning related to road construction in all provinces in Indonesia, so that a lot of workers are absorbed which will ultimately improve people's welfare. In addition, good infrastructure development can expedite the flow of economic activity (Awandari & Indrajaya, 2016).

The investment variable (X2) with a value of -0.018805 has a negative and insignificant effect on people's welfare because it has a probability value of more than 0.05, which is equal to 0.336. That is, investment does not affect people's welfare, but the investment provided

has not been able to improve people's welfare. The results of this study are not in line with research conducted by (Zamzami & Prihanto, 2020) which shows that investment has a significant effect on people's welfare through employment. Investment is essentially also the beginning of economic development activities. The problem of lack of capital is one of the factors that most often gets more attention. The government sees the need to adopt policies that provide wider opportunities for the private sector, both domestic and foreign, to participate in national development. The form of participation in an effort to overcome this problem is by investing or investing.

Investment trends that continue to increase, but have no significant effect, can occur because the investments carried out are only in the form of portfolio investments which only involve financial assets such as bonds and stocks, so they do not absorb labor and in the end, the local people do not earn income which will increase their standard of living. Their life. In addition, the existence of foreign investment will certainly have an impact on the transfer of technology, whereby the absorption of labor is carried out only for workers who are able to operate the technology. The role of the government is needed to increase investment in various sectors, one of which is the tourism sector. According to the Ministry of Tourism, one of the attractive foreign investors is tourism, Indonesia's beautiful natural wealth can be used to attract investors to invest in Indonesia.

The economic growth variable (X3) with a value of -23.81507 has a negative and significant effect on people's welfare because it finds a probability value of more than 0.05, which is equal to 0.000. That is, economic growth affects people's welfare, but economic growth has not been fully able to improve people's welfare. Economic growth is interpreted as an indicator of the creation of an efficient

allocation of resources. Communities can take advantage of the resources owned by the state to increase output with the ultimate goal of community welfare (Purba, 2020). A country's economic growth cannot be stable continuously, as in 2020 the entire world's economy became weak due to Covid-19. This outbreak has had quite an extraordinary impact on the economy, one of which is Indonesia. According to (Indayani & Hartono, 2020) that Indonesia's economic growth amid the coronavirus outbreak has decreased. This is due to the policies implemented by the government to prevent the spread of the coronavirus. The Large-Scale Social Restrictions (PSBB) policy and lockdown are one of the policies implemented by the government. Thus, it makes a number of economic activities unable to run smoothly. As a result, economic growth has been delayed, and weak public purchasing power has resulted in a decline in the level of social welfare. However, in the following year, the economy began to improve and was able to carry out normal economic activities. One of the welfare indicators is the ability to earn a decent income, this income illustrates the economic growth of a country whether it is classified as a developed or developing country. This is not in line with research conducted by (Awandari & Indrajaya, 2016) that economic growth has a positive and significant effect on people's welfare. Government policies are needed so that high economic growth can improve the welfare of its people. One way to improve people's welfare is by providing training, providing assistance to Small and Medium Enterprises to expand their business, and providing cash assistance to the community. With this, people's welfare can slowly improve.

The employment opportunity variable (Y1) with a value of 0.001645 has a positive and significant effect on community welfare because it has a probability value of less than 0.05, which

is equal to 0.0000. This means that job opportunities affect people's welfare, available job opportunities can improve the welfare of the Indonesian people. This means that an increase in employment opportunities can affect the welfare of society. Job opportunities and people's welfare have a very close relationship, welfare can be obtained if people can have opportunities or opportunities in the world of work (Awandari & Indrajaya, 2016). Employment opportunities can be reflected in how many people can get a job, with these jobs people will get income. Then this income will be used to meet the needs of the output so that people's purchasing power will increase and can be classified as a prosperous society (Diantari & Wirathi, 2017). This research is in line with research conducted by (Sa'diyah, 2019) that employment opportunities have a positive and significant effect on people's welfare. The government can enact policies, either in the form of direct or indirect policies to expand employment opportunities. Direct policy can be in the form of providing assistance to the community such as basic needs, while indirect policy can be in the form of construction projects that can involve community workers around the development project. This will be able to increase people's income and lead to better welfare.

CONCLUSION

Based on the description of the results and discussion above, it can be concluded that; infrastructure and investment have a negative and insignificant effect on employment opportunities, however, economic growth has a significant negative effect on employment opportunities. Infrastructure and investment have a positive and insignificant effect on people's welfare, economic growth has a negative effect and does not have a significant effect on people's welfare. Job opportunities have a

positive and significant effect on people's welfare. Infrastructure does not have an indirect effect on people's welfare, while investment and economic growth are found to have an indirect effect on people's welfare through employment opportunities in Indonesia. It is hoped that the government will carry out infrastructure development that is evenly distributed in all regions in Indonesia, so that existing job opportunities can also be felt by all people, besides that equitable infrastructure development can also increase the distribution of goods and services not only in western Indonesia. It is hoped that the government will be able to increase and allocate direct investment rather than portfolio investment, with direct investment in the form of labor-intensive activities, so as to be able to absorb a wider workforce and lead to community welfare. If the investments made are only portfolio investments such as stocks, bonds, and so on, the community will not be able to absorb employment opportunities. High economic growth is expected to be allocated to expanding employment opportunities in order to reduce the unemployment rate.

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