The Influence of the Human and Economic Index Development Components on the Unemployment Rate in Indonesia

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Abstract
Human development is one indicator of the achievement of economic, social, political, cultural, environmental and welfare development, this must occur in all aspects of life that can encourage better human quality. Human development is a development process that aims to have more choices, especially in income, health, and education. One of the benchmarks can be seen through the Human Development Index. The concept of human development does sound different from the classic concept of development which focuses on economic growth. Human development emphasizes expanding people's choices to live full of freedom and dignity. Human development also talks about expanding the capabilities of individuals and communities to expand their range of choices to fulfil their aspirations. This research is based on descriptive and explanatory research, it is said to be descriptive because this research describes the object to be studied. Furthermore, this study examines the relationship between variables, which is classified as explanatory research, namely research that intends to test and explain the relationship between variables and the dependent variable. The results of this study explain that human resource development is a tiered process in the long term in which various socio-economic factors also contribute to it. The process of human resource development is the interaction of various cross-sectoral components that occur gradually from the traditional period, the development period, to the modern period. The development of human resources in the current era implies that the benefits of growth must directly impact various segments of human life and indirectly be able to actively influence the processes that shape their lives.

Keywords: Development component, Economy, Unemployment rate

Abstrak
Pembangunan manusia merupakan salah satu indikator tercapainya pembangunan ekonomi, sosial, politik, budaya, lingkungan dan kesejahteraan, hal ini harus terjadi dalam segala aspek kehidupan yang dapat mendorong kualitas manusia yang lebih baik. Pembangunan manusia adalah proses pembangunan yang bertujuan untuk memiliki lebih banyak pilihan, terutama dalam pendapatan, kesehatan, dan pendidikan. Salah satu tolak ukurnya dapat dilihat melalui Indeks Pembangunan Manusia. Konsep pembangunan manusia memang terdengar berbeda dengan konsep pembangunan klasik yang menitikberatkan pada pertumbuhan ekonomi. Pembangunan manusia menekankan perluasan pilihan masyarakat untuk hidup penuh kebebasan dan martabat. Pembangunan manusia juga berbicara tentang perluasan kemampuan individu dan masyarakat untuk memperluas jangkauan pilihan mereka untuk memenuhi aspirasi mereka. Penelitian ini merupakan penelitian deskriptif dan eksplanatori, dikatakan deskriptif karena penelitian ini menggambarkan objek yang akan diteliti. Selanjutnya penelitian ini mengkaji hubungan antar variabel yang tergolong explanatory research, yaitu penelitian yang bertujuan untuk menguji dan menjelaskan hubungan antara variabel dengan variabel dependen. Hasil penelitian ini menjelaskan bahwa pengembangan sumber daya manusia merupakan proses berjenjang dalam jangka...
panjang yang di dalamnya berbagai faktor sosial ekonomi turut berperan. Proses pengembangan sumber daya manusia merupakan interaksi berbagai komponen lintas sektoral yang terjadi secara bertahap mulai dari masa tradisional, masa pembangunan, hingga masa modern. Perkembangan sumber daya manusia di era sekarang ini mengandung makna bahwa manfaat pertumbuhan harus berdampak langsung pada berbagai segmen kehidupan manusia dan secara tidak langsung dapat secara aktif mempengaruhi proses-proses yang membentuk kehidupannya.

**Kata kunci:** Komponen Pembangunan, Ekonomi, Tingkat Pengangguran

### Introduction

Development is a tool used to achieve the goals of a nation, and one of them can be measured through indicators of maximum and strategic economic growth. In essence, development is a continuous process of change to achieve a more decent living, both materially and spiritually. On the other hand, development must also be seen as a multidimensional process that includes various changes in social structures, people's attitudes, and national institutions. Still, besides that, it also prioritizes accelerating economic growth, handling income inequality, and alleviating poverty (Arizal & Marwan, 2019).

The basic meaning of development is development, where the process is a series of efforts or steps to advance the condition of the people of a region or country with the concept of sustainable development. Terminologically, in Indonesia itself, development is often identified with the term development, even the term is also often equated with the term political change. The identification of development with these several terms was born because development has various meanings, so the term is often equated with several other terms with different meanings.

If you look in detail at some of the problems that often arise in the development of a country in its efforts to build a superior climate of human civilization, it is to look for ideal forms of community conditions and be able to realize them in various fields of life. This burden is formally mandated to the state through its government system, so that within a certain period, the government is obliged to take several effective actions, especially in seeking the formation of human resources, so that the process can be applied to all citizens towards a much better condition (Cholili, 2014).

Human resource development is a tiered process in the long term in which various socio-economic factors also contribute to it. The process of human resource development is the interaction of various cross-sectoral components that occur gradually from the traditional period, the development period, to the modern period. The development of human resources in the current era implies that the benefits of growth must directly impact various segments of human life, and indirectly be able to actively influence the processes that shape their lives.

To determine the extent of the quality of life or the welfare of the people in a country, the United Nations has established the Human Development Index (HDI) or Human Development Index (HDI), which is a standard measure of human development. This program was formed based on four indicators, namely (1) life expectancy (2) literacy rate (3) average length of schooling and (4) purchasing power. And if described in detail one by one, all of these indicators are related to each other, where life expectancy represents the health dimension, while the literacy rate indicators and the average length of schooling reflect the output of the knowledge dimension. The purchasing power indicator is used to measure the dimensions of a decent life (Dewi & Sutrisna, 2014).
The human development index is mathematically a composite calculated as the average of the life expectancy index, education, and decent living index. In compiling the human development index as described previously, it is necessary to determine the minimum and maximum values of each component, because in compiling a high level of human development will greatly determine the ability of the population to absorb and manage sources of economic growth, both in relation to with technology as well as on institutions as an important means to achieve ideal growth.

Human development is the embodiment of the long-term goals of a group of people and puts it around the scope of the norms of life. At the macro level, life expectancy is used as an indicator of the success of development in the health sector. This increase can illustrate improving the population's socio-economic conditions, health and the environment. However, in the current era, the development paradigm that is currently developing is economic growth as measured by human development as seen by the level of quality of human life in each country (Hasibuan & Rujiman, 2020).

One of the benchmarks used to measure the quality of human life is the Human Development Index (HDI), which is measured through the quality of education, health and economic levels (purchasing power). Through the improvement of these three indicators, it is hoped that there will be an increase in the quality of human life. This is due to the heterogeneity of individuals, geographical disparities and diverse social conditions, causing income levels to no longer be the main benchmark in calculating the success rate of development. However, the success of human development cannot be separated from the government's performance, which plays a role in creating regulations for achieving social order. HDI is a measuring tool that can be used to assess the quality of human development, both in terms of its impact on human physical conditions (health and welfare) and non-physical ones (intellectuality).

Human development in Indonesia is often attempted to reduce poverty and unemployment. As one of the developing countries in the world, Indonesia continues to strive for various developments and improvements in all fields, one of which is through the acceptance of job opportunities and the existence of maximum distribution of income in the midst of society. However, what is happening in the field, entering the era of industrialization and globalization between job opportunities and the labor force in fact has a disproportionate number of opportunities, if this continues to be left unchecked, then the process will have a direct impact on stability and overall economic development plus the an increase in the number of unemployed. So it is necessary to invest in education and health that is more optimal and carried out wisely, so that later the process can be enjoyed directly by all circles of society, because the availability of more affordable education and health facilities will greatly help to increase community productivity, and on other occasions The same will increase people's income much more significantly (Alimudin, 2016).

A high level of human development greatly determines the ability of the population to absorb and manage sources of economic growth, both in relation to technology and to institutions as an important means to achieve maximum economic growth. Human development is a process of expanding choices for humans, especially in accessing development outcomes such as income generation, health and education. Human development as a measure of overall development performance is formed through three basic dimensions, namely longevity, proper health, and fulfilled knowledge where the dimensions of long and healthy life are represented by the life expectancy indicator, the knowledge dimension is represented by the literacy rate.
indicator and average the average length of schooling, while the dimensions of a decent life are represented by indicators of purchasing power. Seeing the phenomenon above, human development or improving the quality of human resources is very important in the development policy strategy in a country, as well as in Indonesia, so based on the description and elaboration of the background above, researchers are interested in further expanding the focus of the problem on the Effect of Index Development Components Human and Economy Against Unemployment Rate in Indonesia.

Method

This research is based on descriptive and explanatory research, it is said to be descriptive because this research describes the object to be studied. Furthermore, this study examines the relationship between variables, so this research is classified as explanatory research, namely research that intends to test and explain the relationship between variables and the dependent variable. There are several variables to be studied, including unemployment rate, poverty rate of economic growth, realization of capital expenditures, and the Human Development Index. The type of data used in this study is secondary data obtained from the internet through the official website published by the Indonesian Central Statistics Agency (BPS) and supporting data obtained from research journal references (Komariah et al., 2019).

Results And Discussion

Concept of Human Development Index and Economic Growth

Human development is a process and an outcome that will enlarge people's choices as well as become a goal, human development implies that people must influence the processes that shape their lives. The influence of economic growth is an important means for the implementation of human development, but not in the end. Human development is the development of society through the development of human capacities, by society through active participation in the processes that shape life and society by improving their lives. It is broader than other approaches, such as the human resource approach, the basic needs approach and the human welfare approach (Mahroji & Nurkhasanah, 2019).

The human development index integrates three basic dimensions of human development, including life expectancy at birth where this process reflects the ability to lead a long and healthy life. Then years of schooling are expected to reflect the ability to acquire knowledge, and gross national income per capita reflects the ability to achieve a more decent standard of living. The human development paradigm is usually identified with four main components: (1) Communities must be able to increase their productivity and participate fully in earning income and paid work. Therefore, economic growth is one part of the type of human development that cannot be separated from one another. (2) The community must have access to equal opportunities. All barriers to economic and political opportunities must be removed so that people can participate in and benefit from existing opportunities. (3) Access to opportunities must be ensured for both the current generation and future generations. All forms of physical, human and environmental capital must be systematically and tested. (4) Development must be carried out by the community and not only for certain groups. Communities must participate fully in making decisions and processes that affect their lives (Mukhtar & Saptono, 2019).
By increasing ability, creativity and productivity, it will indirectly increase all abilities and competencies that exist in humans themselves, so that they become effective growth agents and excel in various fields. The concept of human development does sound different from the classic concept of development which focuses on economic growth. Human development emphasizes expanding people's choices to live full of freedom and dignity. Not only that, human development also talks about expanding the capabilities of individuals and communities to expand their range of choices in an effort to fulfill their aspirations.

The perspective of human development is a radical thought in a country's development concept. This perspective replaces the concepts of economic growth and per capita income growth used by previous policy planners. The United Nations for Development Program (UNDP) places humans as the true wealth of the nation, economic growth in terms of trade, investment and technology is essential. However, it only sees humans as a means to achieve growth, and not as an end in development. The human development approach incorporates aspects of the production and distribution of commodities, as well as the enhancement and utilization of human capabilities. Human development sees simultaneously all issues in society, economic growth, trade, employment, political freedom or cultural values from a human point of view. Human development also includes another important issue, namely gender. Thus, human development does not only pay attention to the social sector, but is a comprehensive approach from all sectors (Ningrum et al., 2020).

However, economic development or more precisely economic growth is a prerequisite for achieving human development at this time, because basically, economic development guarantees an increase in productivity and an increase in income through the creation of job opportunities. The relationship between economic growth and human development takes place in two ways. Economic development is a structural change effort that aims to increase productivity and create job opportunities which in turn will increase the income of the population in full. In addition, economic development is also a multidimensional process that involves various basic changes to the social structure, such as the attitude of the community and national institutions, but besides continuing to pursue economic growth acceleration, economic development also continues to pay attention to aspects of handling regional inequality, alleviating poverty and reducing unemployment rates.

Economic growth is one of the important indicators in assessing the performance of an economy, especially to analyze the results of economic development that a country or a region has carried out. The economic growth of a country or a region that continues to show improvement illustrates that the economy of the country or region is developing well. Economic growth cannot be said to be successful if the social burden is getting heavier, income distribution is uneven, the number of people below the poverty line is increasing and the unemployment rate is still high (Prasetyoningrum & Sukmawati, 2018).

In carrying out economic development, it cannot simply be implemented, but several supporting conditions are needed. The main requirement in development is the existence of government and people. development depends on the government and the people. Development cannot run if only one is running. So development is basically from the people for the people. The people are sovereign, so naturally it is the people who enjoy the results of development. Development that is only carried out by one party or
forced, meaning that it does not involve the people in the real sense is not an ideal development model.

This kind of development can occur, but in conditions where the government system is a dictator. The dictatorial development model will only give birth to the suffering and misery of its people, therefore a balanced or ideal development model is a development model that involves and is fully supported by the people. This support is in the form of participation. If development is only carried out by the government, namely relying fully on government policies, then it is certain that development will not achieve the desired target, therefore community participation is very important to always be involved in it (Putra & Ulupui, 2015).

Human development is about acquiring more abilities and enjoying more opportunities to use those abilities. With more capabilities and opportunities, people have more choices, and expanding choices is at the core of the human development approach. But human development is also a very long process, and is often related to the context of human rights and human security, but the main goal is to increase the freedom of human beings to express their various aspirations. Human development is the development of society through the elaboration of the benefits of development in life and society and active participation in processes that influence and shape their lives. The human development index is one of the important indicators in seeing the other side of human development, while the important benefits of HDI include (1) Important indicators to measure success in efforts to build the quality of human life (community/population) (2) Determining the ranking or level of development a region/country and for Indonesia, HDI is strategic data because apart from being a measure of government performance, HDI is also used as one of the allocators for determining the General Allocation Fund (Sanggelorang et al., 2015).

Table 1. Maximum and Minimum Value of HDI Components

<table>
<thead>
<tr>
<th>Component</th>
<th>Unit</th>
<th>Target Ideal</th>
<th>Score Minimum</th>
<th>Target Achievement</th>
</tr>
</thead>
<tbody>
<tr>
<td>Life expectancy</td>
<td>Year</td>
<td>85</td>
<td>25</td>
<td>60</td>
</tr>
<tr>
<td>Literacy Rate</td>
<td>Percentage</td>
<td>100</td>
<td>0</td>
<td>100</td>
</tr>
<tr>
<td>Average Length of School</td>
<td>Year</td>
<td>15</td>
<td>0</td>
<td>15</td>
</tr>
<tr>
<td>Real consumption per capita that has been adjusted</td>
<td>Rupiah</td>
<td>732.720</td>
<td>300.000</td>
<td>432.720</td>
</tr>
</tbody>
</table>

The HDI as a measuring tool for the status of human development is very sensitive to changes that are taking place, so that the HDI is a human development information system that focuses on the progress and achievements of sectoral programs and studies with national programs. At the district/city level, this study is called an analysis of the
human development situation because it only examines the progress and achievements of a region, while at the provincial level this study is called a human development report because it also examines the comparison of progress and achievements between districts/cities and the indicators compiled in the development information system. and enriched with area-specific problems raised. Human Development or HDI abbreviated is a composite index which is calculated as the average of the Life Expectancy Index, Education Index and Decent Living Standards Index contained in Purchasing Power Parity. So since regional autonomy has been implemented in Indonesia, each region is expected to know the size of its own regional HDI both for planning purposes and for evaluation, especially in knowing the development and distribution of development results in the human sector.

**Effect of Human Development Index on Unemployment Rate and Job Opportunity in Indonesia**

Economic development is a multidimensional process that involves a variety of fundamental changes in social structures, attitudes of people and national institutions such as accelerating growth, reducing inequality, and reducing poverty. The involvement of economic growth is one of the most important indicators in assessing the performance of an economy because economic growth is a process of increasing production capacity which is manifested in an increase in national income. Economic growth is said to increase if the gross regional domestic product increases, and will also affect the success of overall economic development. Economic growth is closely related to the unemployment rate, because economic growth can be seen from the increase in community productivity through the creation of goods and services. The causes of low individual productivity in a country are caused by lack of skills due to low levels of education, lack of supporting facilities and infrastructure, low levels of health and nutrition and low levels of wages and wage systems (Sari & Supadmi, 2016).

As one of the countries with the largest population in Southeast Asia, basically Indonesia has a very large capital in terms of development that comes from the population itself. However, if the population is large, if not managed properly, it will cause problems in the future. As well as population management in the field of employment. The large number of unemployed people will create their own problems in Indonesia, there are still many workers in Indonesia who have very low educational backgrounds, and the opposite is true with those with secondary or tertiary education who are still lacking. Through an experienced and highly contributing workforce at least, the process can spearhead by becoming a job creator, so that unemployment reduction cannot rely solely on job creation through private or foreign investment and the government.

The problem or problem with unemployment is very complex to study and becomes an interesting issue, because it can be associated with several indicators of economic development in a country, while some of these indicators include the Human Development Index (IPM), Economic Growth (PE), Minimum Wage for Workers (UMP), Inflation and other things. According to several leading theories, economic growth and the unemployment rate have a negative relationship which means that if economic growth increases, the unemployment rate will decrease. Because economic growth has a negative and significant effect on the human development index, economic growth and minimum wages and the open unemployment rate in Indonesia. Unemployment is one of the employment problems in Indonesia, besides that unemployment is also a
macroeconomic problem that occurs because the number of people aged in the labor force (15-64 years) is more in number when compared to the available jobs. The higher the unemployment rate can have a negative impact on a region and a country, this is because unemployment causes some households to be unable to meet their consumption needs because they do not have jobs and income, this of course can also reduce their level of welfare (Setiawan & Hakim, 2013).

The graph above shows that the human development index (HDI) and the open unemployment rate (TPT) are not always inversely related. From 2006-2013 HDI increased by 73.81% while TPT decreased by 6.17%. However, the HDI and TPT in 2014 increased, namely HDI by 68.90% and TPT 5.94%. The HDI from 2014-2020 continued to increase while TPT experienced an up and down trend because in 2020 TPT rose significantly by 7.07%. The significant increase in TPT in 2020 is thought to be due to the Covid-19 pandemic that began to hit Indonesia.

Graph 2 above can be explained that the economic growth (PE) and the open unemployment rate (TPT) in Indonesia are experiencing opposite trends. Economic growth tends to increase while the open unemployment rate tends to decrease. Increased economic growth can increase investment. Where increased investment can expand employment opportunities and can encourage employment so that it can reduce unemployment in Indonesia. In 2020 economic growth is -2.07% while the open unemployment rate is 7.07%. This is due to the ongoing Covid-19 pandemic. When the
Covid-19 pandemic began in Indonesia in 2020, there were many restrictions on the application of community activities (PPKM) so that many economies in Indonesia closed and went bankrupt, both traders and large retail entrepreneurs, etc. Due to the loss, large entrepreneurs have to make a termination of employment (PHK) so that unemployment occurs everywhere (Si’lang et al., 2019).

Unemployment will always appear in an economy for several reasons, first because of the job search process that is needed, then the second reason is because of wage rigidity caused by three things, namely the existence of minimum wage policies, monopoly power of trade unions, and wage efficiency. Unemployment can also occur due to the low quality of human resources due to inadequate education levels, as well as low health and nutrition so that many workers do not work because their education levels do not meet the qualifications in the available job vacancies.

Unemployment and employment issues are still a major concern in every country as well as in Indonesia, because the two problems are a single entity, both of which create a dualism of conflicting problems with one another. This dualism occurs when the government is unable to properly utilize and minimize the impact of these two factors. However, if the government is able to take advantage of the existing workforce, the dualism of the problem will not occur and even have a positive impact in accelerating development (Soeharjoto & Oktavia, 2021).

Viewed from a positive point of view, labor is one of the most important resources in encouraging the growth and economic progress of a country. However, from another point of view, the increase in the workforce is often an economic problem that is difficult for the government to solve. As a result of the lack of government in providing jobs as a result of the increasing number of existing residents, so that the existing workforce is not fully absorbed, the consequence is that unemployment is created everywhere. Human development is the goal of development itself. Human development plays a key role in shaping a country’s ability to absorb modern technology to develop its capacity to create job opportunities to reduce unemployment and ultimately create unemployment growth and sustainable development. This shows that human development as measured by the magnitude of the HDI value will have an impact on the low unemployment rate in a region.

In general, the government's efforts to overcome unemployment in this country have been quite successful, especially in providing job opportunities, although not all of them are able to be absorbed. Based on data from BPS RI in the last 10 years the trend of decreasing unemployment rate in Indonesia is quite high, where in 2005 unemployment in Indonesia was 10.3 percent (of the total number of working-age) there was a decline to 7.0 percent (of the total number of workers). working age) in 2015. However, along the way there are several problems that cause the absorption of labor to be still not maximal, with reference to the problems of employment and unemployment, it is necessary to discuss the problems that become obstacles in creating job opportunities, employment, and unemployment in an effort to increase and accelerate the country’s economic growth (Reza, 2020).

Labor is one of the most important factors in the production process of a country, so it can be said that employment opportunities will increase if the output also increases. Therefore, it is necessary to formulate policies that encourage the expansion of job opportunities so that economic policy tools can reduce unemployment in Indonesia. Regional development policies which basically have a function in expanding job opportunities, in essence, must be immediately changed and implemented into
components of sustainable development. Human capital is one of the important factors in creating a more stable economic development, with the presence of quality human capital, it is believed that economic performance will also be better, because the human resources of a nation are the most decisive factor in character and development.

Acceleration of social and economic development of the nation concerned. According to UNDP, human development is a process of increasing choices for people. The concept or definition of human development basically includes a very broad dimension of development, besides that development should be analyzed and understood from the human point of view, not only from economic growth. As quoted from Human Development, a number of important premises in human development are, development must prioritize the population as the center of attention, then development is intended to increase choices for the population, not only to increase their income. Therefore, the concept of human development must be centered on the population as a whole, and not only on the economic aspect. Then human development pays attention not only to efforts to improve human capabilities (capabilities) but also to efforts to utilize these human capabilities optimally and finally human development must be supported by four main pillars, namely productivity, equity, sustainability, and empowerment (Winarti & Purwanti, 2014).

From the explanation above, it can be concluded that the components that affect HDI can be encouraged, among others, through health status and length of life, which is read from life expectancy, then health parameters with indicators of life expectancy, by measuring health and longevity. Furthermore, education is measured by the literacy rate, the average length of schooling, the education parameter is the literacy rate and the length of schooling, the measure of intelligent, creative, skilled, and pious people, and income is measured by people's purchasing power, while the income parameter is measured by indicators. people's purchasing power, measuring people who are independent and have access to a decent life.

Conclusion

The results of this study reveal that simultaneously the human development index, economic growth and the minimum wage together have a negative and significant effect on the open unemployment rate in Indonesia. While partially the human development index does not have a significant effect on the open unemployment rate, economic growth and minimum wages. In addition, human development actually has a very broad meaning. The basic idea of human development is quite simple, namely creating positive growth in the economic, social, political, cultural and environmental fields, as well as changes in human welfare. Therefore, humans must be positioned as the real wealth of the nation. Armed with this concept, the main goal of human development should be to create an enabling environment for its people to enjoy a long, healthy life and live a fulfilling life. productive. However, basically the concept of human development cannot stand alone as something exclusive, because the existing concept of development must be related to the concept of sustainable human development and human development is not only a product of economic growth, but is at the same time an important input for growth in various aspects of life. Therefore, economic growth and human development must go hand in hand simultaneously.
References


