



Analysis of the Influence of Economic Growth, Unemployment Rates, Poverty Levels on the Level of Community Welfare in the Regency/City of Bali Province

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Abstract A good country's economy can be seen from the level of prosperity of its people. To see the welfare of society in a country, it can be measured by the Human Development Index (HDI). The level of social welfare between regions indicates that there is inequality between regions. The objects of this research are 9 regencies/cities in Bali Province. The descriptive quantitative method used in this research is the Secondary Data Analysis (ADS) approach. Based on the results of the analysis, it can be concluded that partial economic growth has a positive and significant effect on the welfare of the people in districts/cities in Bali Province. The unemployment rate partially has a positive and significant effect on the welfare of the people in the Regencies/Cities in Bali Province and the poverty rate partially has a positive and insignificant effect on the welfare of the people in the Regencies/Cities in the Province of Bali.

Keywords: Economic Growth, Unemployment, Poverty

1. INTRODUCTION

A good country's economy can be seen from the level of prosperity of its people. Welfare is a condition that requires the fulfillment of basic needs for individuals or groups in the form of secondary, primary and tertiary needs. Efforts to improve community welfare involve various sectors, including government, non-government organizations, the private sector, and society itself. This includes the provision of basic services, infrastructure development, policies that support inclusive economic development, quality education, access to affordable health services, protection of human rights, and efforts to reduce social and economic disparities. In essence, societal well-being is a goal pursued by many countries and organizations around the world as part of efforts to create a more just, sustainable and prosperous society for all its members.

According to Ramadhan (2017), to see the welfare of society in a country it can be measured by the Human Development Index (HDI). The Human Development Index (HDI) consists of several components, including education level, life expectancy, and poverty level, income and literacy rate. The achievement of HDI can be seen through the development of three dimensions, namely long and healthy life, knowledge and a decent standard of living (BPS, 2023). Life expectancy at birth shows life and longevity, where the longer the life, the more it can show the level of health of a community. Life expectancy is often used as an evaluation material for government policies regarding public health. The degree of population

health is one of the main indicators for calculating the human development index. Therefore, improving population health is a target and strategic goal in almost all regions. The higher life expectancy means the more successful health development in a region. The driving factors for achieving this indicator are improving health services, increasing people's purchasing power which will increase access to health services, being able to meet nutritional and calorie needs, being able to have better education so that they can get a job with sufficient income, which will ultimately improve the level of public health. and extend life expectancy. Meanwhile, the knowledge dimension is formed by two indicators, namely the expected number of years of schooling and the average number of years of schooling. These two indicators are used to measure the educational performance of a region. The expected length of schooling is the length of schooling that children of a certain age are expected to experience in the future, while the average length of schooling is the number of years of formal education that has been completed by residents aged 25 years and over. Achievement of the Human Development Index can also be seen from the dimension of decent living standards as indicated by real expenditure per capita per year. Adjusted expenditure is intended to maintain comparability between regions, through standardization using the concept of purchasing power (Purchasing Power Parity). This dimension plays an important role in creating prosperity for humans. Per capita expenditure is the costs incurred for consumption by household members in a certain period (BPS, 2022). These three dimensions are very important for measuring the human development index of a region.

Among other provinces in Indonesia, there are three provinces that experienced an increase in human development status from "medium" to "high" in the 2020-2023 period. The three provinces are West Kalimantan, Gorontalo and North Maluku. Meanwhile, the Bali Province human development index has been at "high" human development status since before 2020. The Bali Province human development index can be seen increasing from 2019 to 2023. The Bali Human Development Index in 2023 increased by 0.79 percent compared to 2022. Bali's human development experienced progress during 2020-2023. The increase in Bali's HDI in 2023 will experience a slight slowdown compared to the increase in 2022 (BPS, 2023). In 2023, Bali's HDI will increase by 0.79 percent, experiencing a slower increase compared to 2022 which increased by 0.93 percent.

Human development in each district/city in Bali has also increased with various variations. Karangasem Regency has the lowest human development index among districts/cities in Bali Province. Karangasem Regency's human development index is always

lower than Bali's human development index, in 2019-2021 it only increased by 0.01 percent per year. Meanwhile, the highest human development index in Bali Province is Denpasar City. Looking at the human development index data, Denpasar City, Badung Regency, Gianyar Regency and Tabanan are always higher than Bali's human development index. The urban area of Denpasar, Badung, Gianyar and Tabanan (SARBAGITA) is one of the National Strategic Areas (KSN) located in the Bali Province region.

Table 1. Human Development Index for 2019-2023 Regencies/Cities in Bali Province

Regency/City	Bali Province Human Development Index by Regency/City				
	2019	2020	2021	2022	2023
District Jembrana	72.35	72.36	72.75	73.58	74.04
District Tabanan	76.16	76.17	76.45	76.75	77.43
District Badung	81.59	81.60	81.83	82.13	83.08
District Gianyar	77.14	77.36	77.70	78.39	79.24
District Klungkung	71.71	71.73	71.75	72.55	73.11
District Bangli	69.35	69.36	69.37	70.26	70.79
District Karangasem	67.34	67.35	67.36	68.28	68.91
District Buleleng	72.30	72.55	72.56	73.45	73.97
Denpasar City	83.68	83.93	84.03	84.37	84.73
Bali Province	75.38	75.50	75.69	76.44	77.10

Source: Central Statistics Agency 2019-2023

The SARBAGITA area was officially formed based on Presidential Regulation of the Republic of Indonesia Number 45 of 2011 concerning Spatial Planning for the Denpasar, Badung, Gianyar and Tabanan Urban Areas. This area is an urban area, namely an area that has main non-agricultural activities with the function of the area as an urban settlement, concentration and distribution of government services, social services and economic activities. (Purwanti & Setyari, 2021). Where the economic turnaround of the SARBAGITA area is faster than other districts, because this area is the center of the economy. The economy of Bali Province has slightly different characteristics from other provinces because the main sector of Bali Province is the tourism sector. Implicitly, the formation of a region will stimulate the development of areas around the region, in addition to triggering economic growth within the region itself. The higher the GRDP value with positive growth, the better the welfare of the people in the area concerned. On the other hand, higher economic growth could cause development inequality between regions. Andhiani, Erfit, and Bhakti, (2018). Jembrana, Klungkung, Buleleng, Bangli and Karangasem districts have a lower human development index than the Bali human development index. Other districts in Bali Province apart from

Badung Regency and Denpasar City are seen to have achieved a high human development index, namely above 70 and below 80, but lower than Badung Regency and Denpasar City, whose human development index is very high, namely above 80. The level of community welfare between different regions This indicates that there is inequality between regions. A good human development index can reflect the successful development of a region which will increase economic growth.

The economic growth of a country is very important for its human progress. Economic growth is an important indicator in assessing the performance of an economy, especially for analyzing the results of economic development that has been implemented in a country or region (Mahroji, 2019). Economic growth is often measured by indicators such as Gross Domestic Product (GDP), which provide a picture of a country's economic health. However, focusing only on economic growth often ignores humanitarian aspects such as education, health and living standards. HDI is a more holistic measurement of a country's progress, because it includes important aspects such as life expectancy, literacy levels, and a decent standard of living. The importance of achieving sustainable and inclusive economic growth. Countries and international organizations are increasingly paying attention to improving the quality of life of their populations as one of the main goals of development. Thus, a better understanding of the linkages between economic growth and human well-being can provide valuable guidance for public policy and practitioners in the development field. Economic growth and human development mutually contribute to each other. The contribution of economic growth to human development is by increasing government revenue which can then be reinvested in human development. Another factor that can influence the Human Development Index is the unemployment rate.

The problem of unemployment is a serious problem faced by developing countries such as Indonesia (Mahroji, 2019). Unemployment occurs as a result of the high rate of change in the labor force which is not balanced by the existence of quite extensive employment opportunities and labor absorption which tends to be a small percentage. This is caused by the low growth rate of job creation to accommodate a workforce that is ready to work. The unemployment rate and human development index are two crucial aspects in a country's development. Both the unemployment rate and the human development index (HDI) are important indicators that provide insight into the economic and social welfare of a nation. The unemployment rate reflects employment conditions within a country, where high unemployment rates are often a sign of structural problems or a bad economic cycle. In a global

context full of challenges, such as today, technological changes, globalization and economic crises can have a significant impact on a country's unemployment rate. The relationship between unemployment and is that when unemployment is high it reflects an imbalance in the economy, which has a negative impact on quality of life and HDI. Conversely, a reduction in unemployment contributes to an increase in the HDI because more individuals are able to obtain employment and improve their quality of life. Therefore, efforts to increase HDI must include strategies to reduce poverty and unemployment, as well as increase access to basic social services such as education, health and nutrition (W. Mahri, 2021).

On the other hand, HDI is a holistic measure of human progress that includes aspects such as education, health and a decent standard of living. HDI provides a more comprehensive picture of society's welfare than just using economic indicators alone. The relationship between the unemployment rate and the level of social welfare is a topic that is very relevant in the economic and social context. The unemployment rate is an important indicator in assessing the economic health of a country, while the level of social welfare reflects the social and economic conditions experienced by individuals in society. A high unemployment rate can have a direct impact on people's welfare. When many individuals cannot find decent work, they may experience difficulty meeting basic needs such as food, clothing, and shelter. High unemployment rates can also cause increased stress and anxiety among people, as well as increase the risk of poverty and social instability. Apart from that, a high unemployment rate can also result in a long-term decline in welfare. Individuals who experience long-term unemployment may lose skills or work experience, making it difficult for them to return to the labor market. This can result in a cycle of poverty that is difficult to break and negatively impacts individual and family well-being. Data from the Bali Province Central Statistics Agency shows that unemployment data has soared in 2020-2022 due to the pandemic which has forced workers to be laid off from their jobs. This has an impact on the percentage of unemployment rates in the districts/cities of Bali Province. However, the level of Bali's human development index always increases from year to year. Apart from economic growth and the unemployment rate, another factor is the poverty rate.

Poverty is one of the problems often faced by developing countries. Todaro (2010) in developing countries still finds striking poverty, even though there have been significant improvements over the last half century. Low levels of education, inequality in income distribution, rising unemployment rates and rising basic prices are determinants of poverty. According to Kanbur and Squire, there is an important relationship between the Human

Development Index (HDI) and productive income capacity. Income is the main outcome and determinant of human development. Individuals living in poverty often experience limitations in access to education, nutrition, and health, which reduces their capacity to participate productively in the economy. Thus, low HDI, which reflects factors such as education, health, and quality of life, can hinder the ability of poor individuals to take advantage of income opportunities (W. Mahri, 2021). High poverty is often closely related to low HDI. Poverty conditions reduce access to critical resources that support human development, so poor individuals may not be able to take optimal advantage of economic opportunities. This ultimately worsens their poverty conditions and hinders efforts to increase HDI (Retnowati, 2017).

According to Todaro and Smith (2009), the main development priorities are education and health. Education is essential to living a fulfilling and rewarding life, and health is essential to well-being. Both of these things are very important for the broader concept of increasing human capabilities as the basis of development. Productive investments in human capital include knowledge, skills, abilities, ideas, health, and location. Expenditures on education, job training programs, and health care are often the result of this (Todaro and Smith, 2011: 447). Therefore, the government prioritizes the development of the education and health sectors. One of them is spending on education and health which is no less than that given to other sectors.

According to data from the Bali Province Central Statistics Agency (BPS, 2022), poverty in Bali Province fluctuated from 2010 to 2022. The number of poor people in 2021 increased quite drastically, namely an increase of 36.78 thousand people from 2020. Buleleng Regency is a district that has The largest number of poor people is in Bali Province.

The problem of poverty is not just the number and percentage of poor people. Another dimension that needs to be considered when looking at poverty indicators is the depth and severity of poverty itself. The poverty depth index is a measure of the average gap between the expenditure of each poor person and the poverty line. The poverty severity index provides an overview of the distribution of expenditure among the poor (BPS, 2022).

BPS data from Bali Province (BPS, 2022) shows that the total workforce in August 2022 was recorded at 2.74 million people, an increase of 158.02 thousand people compared to August 2021. In the same year, the Labor Participation Rate increased by 3.32 percent to 76.86 percent in August 2022, Bali's economic recovery is marked by an increase in full employment. Meanwhile, the Open Unemployment Rate (TPT) in August 2022 decreased by 0.57 percent compared to August 2021. However, the TPT is still quite high compared to Bali's TPT before

the Covid-19 pandemic. The number of working residents in Bali Province increased by 166.22 thousand people to 2.61 million people in August 2022. However, the Bali Human Development Index data in the Bali Province Central Statistics Agency increased from year to year.

Based on the description above, it is necessary to carry out research to examine further the "Analysis of the Effect of Economic Growth, Unemployment Level, Poverty Level on the Level of Community Welfare in Regencies/Cities of Bali Province".

2. RESEARCH METHODS

The descriptive quantitative method used in this research is the Secondary Data Analysis (ADS) approach. ADS is a method that uses secondary data as the main data source and uses appropriate statistical test techniques to obtain accurate information from institutions or agencies such as BPS. This method is used to study a particular population or sample. Most comparative and associative hypotheses are tested through the collection and analysis of quantitative/statistical data. This research is associative because the aim is to determine the relationship between several variables, namely Economic growth, unemployment rate and poverty levels, with welfare levels in several districts/cities in Bali Province. The objects of this research are 9 regencies/cities in Bali Province. The descriptive quantitative method used in this research is the Secondary Data Analysis (ADS) approach

The data collection method used by researchers to obtain the data needed in this research is non-participant observation. Non-participant observation is observation that only collects data that is available by certain bodies or institutions, where the researcher is not directly involved (Sugiyono, 2015: 247). This data collection was carried out by observing, recording and studying descriptions from books, scientific works such as journals, articles, documents and theses. Data analysis methods can use descriptive statistical analysis and panel data regression analysis. Panel data analysis is a combination of time series and cross section data. The advantage of using panel data regression is that it can provide more informative data and is better at controlling effects that cannot be seen in time series and cross section data. Descriptive statistical analysis is a data analysis technique in processing data using statistical methods where the data is in the form of numbers.

3. RESULTS AND DISCUSSION

Data analysis

Descriptive Statistics

Table 2. Results of Descriptive Statistical Analysis

	Y	X1	X2	X3
Mean	74.74746	2.426349	2.935873	4.613810
Median	73.45000	5.020000	2.410000	4.920000
Maximum	84.73000	11.29000	7.620000	6.980000
Minimum	65.57000	-1,655,000	0.400000	1.780000
Std. Dev.	5.308453	5.098741	2.118326	1.411258
Observations	63	63	63	63

Source: Eviews 10 Data Processing Results

Based on Ghozali (2016), descriptive statistics provides an overview or description of data that can be obtained through minimum, maximum, average (mean) and standard deviation values. An overview of the descriptive analysis in this research will be explained in Table 2.

Based on the results of descriptive statistical analysis in Table 2, it shows that community welfare has a minimum value of 65,570 points and a maximum value of 84,730 points. With an average of 74.747 points and a standard deviation of 5.308 points. An average value that is higher than the standard deviation indicates that the data distribution in the variable is in a good category.

Based on resultsDescriptive statistical analysis in Table 2 shows that economic growth has a minimum value of -1.655 percent and a maximum value of 11.290 percent. With an average of 2.426 percent and a standard deviation of 5.098 percent. An average value that is lower than the standard deviation indicates that the data variation in the variable is high.

Based on resultsStatistical analysis in Table 2 shows that the unemployment rate has a minimum value of 0.400 percent and a maximum value of 11.290 percent. With an average of 2.426 percent and a standard deviation of 2.118 percent. An average value that is higher than the standard deviation indicates that the data distribution in the variable is in a good category.

Based on resultsDescriptive statistical analysis in Table 4.5 shows that the poverty level has a minimum value of 1.411 percent and a maximum value of 6.980 percent. With an average value of 4.613 percent and a standard deviation of 1.411 percent. An average value that is higher than the standard deviation indicates that the data distribution in the variable is in a good category.

Selection of Panel Data Regression Estimation Techniques

In panel data regression there is a selection of estimation techniques with three estimation approaches, namely Common Effect Model, Random Effect Model and Random Effect Model. To determine which technique is best to use for panel data regression, tests are carried out, namely the Chow test and the Hausman test.

1. Test Chow

This test is used to see which model is better between the common effect model and the fixed effect model. To use the test, the selection of common effect model and fixed effect model estimates can be done if the cross section chi-square value is < significant value (0.05) then it is fixed effect model will be used. Conversely, if the cross section chi-square value is > significant (0.05), then the common effect model is used.

Table 3. Chow Test Results

Effects Test	Statistics	df	Prob.
Cross-section F	28.701347	(8.51)	0.0000
Chi-square cross-section	107.424005	8	0.0000

Source: Eviews 10 Data Processing Results

In Table 3, the Chi-square distribution value of the results obtained using Eviews 10 is 107.424 with a probability of 0.000 (< 0.05). So the model used is a fixed effect model.

2. Hausman test

This test is processed to see which model is better between the fixed effect model and the random effect model. To test the selection of fixed effect model estimates, it can be done by looking at the random cross section value < probability value (0.05), so the fixed effect model is used. Conversely, if the random cross section value > probability value (0.05) then the random effect model is used.

Table 4. Hausman Test Results

Test Summary	Chi-Sq. Statistics	Chi-Sq. df	Prob.
Random cross-section	61.355726	3	0.0000

Source: Eviews 10 Data Processing Results

The Chi-square distribution value of the results obtained using evIEWS 10 is 61.356 with a probability of 0.0000 (< 0.05) so that it fails to reject H1, so the model used is the fixed effect model.

Panel Data Regression Analysis

Table 5. Fixed Effect Model (FEM) Regression Results

Variables	Coefficient	Std. Error	t-Statistics	Prob.
C	73.68627	1.499939	49.12617	0.0000
X1	0.060801	0.034500	1.762349	0.0840
X2	0.296078	0.094151	3.144695	0.0028
X3	0.009628	0.353014	0.027274	0.9783

Cross-section fixed (dummy variables)				
R-squared	0.978280	Mean dependent var		74.74746
Adjusted R-squared	0.973595	SD dependent var		5.308453
SE of regression	0.862603	Akaike info criterion		2.711918
Sum squared resid	37.94824	Schwarz criterion		3.120134
Log likelihood	-73.42541	Hannan-Quinn Criter.		2.872471
F-statistic	208.8222	Durbin-Watson stat		0.841280
Prob(F-statistic)	0.000000			

Source: EvIEWS 10 Data Processing Results

Based on the results of the Chow test and Hausman test, the appropriate panel data regression model to be used in this research is the fixed effect model. Regression results using the fixed effect model are in Table 5.

Based on regression results fixed effects model In Table 5, the results of the regression model equation between the dependent variable (community welfare) and the independent variables (economic growth, unemployment rate and poverty rate) are as follows:

$$\widehat{Y}_{it} = 73.686 + 0.061 X1_{it} + 0.296 X2_{it} + 0.010 X3_{it}$$

SB = (1,500) (0.034) (0.094) (0.353)

t = (49.126)(1,762) (3.145) (0.027)

Prob = (0.000) (0.084) (0.003) (0.978)

R-Square = 0.978 F-Stat = 208.822 Prob F = 0.000

Information :

Y = Level of Community Welfare

X₁ = Economic Growth

X₂ = Unemployment Rate

X₃ = Poverty Level

i = The number of regencies/cities in Bali Province is 9

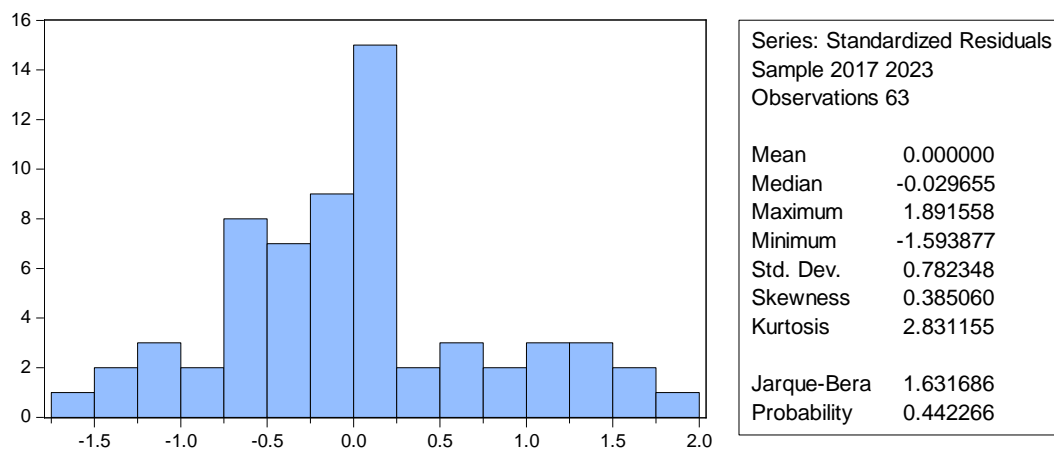
t = Research time period from 2017-2023

Classic Assumption Test Results

1. Normality Test

The normality test aims to test whether in the regression model, the residuals have a normal or non-normal distribution. A good regression model should have a normal distribution. To find out whether the data is normal or not, it can be done using the Jarque Bera (JB) test with the following criteria:

- (1) If the probability value is > 0.05 then the residual is normally distributed
- (2) If the probability value is < 0.05 then the residual is not normally distributed.



Source: Eviews 10 Processing Results

Figure 1. Normality Test Results – Jarque Bera

Based on the results in Figure 1, it can be seen that the results obtained from the Jarque Bera (JB) test have a Jarque Bera (JB) probability value of $0.442 > 0.05$. Thus, it can be concluded that the residuals are normally distributed or the data normality test assumptions have been met.

2. Autocorrelation Test

The autocorrelation test aims to test whether in linear regression there is a linear correlation between confounding errors in period t and confounding errors in period (t-1).

Table 6. Autocorrelation Test Results

R-squared	0.978280	Mean dependent var	74.74746
Adjusted R-squared	0.973595	SD dependent var	5.308453
SE of regression	0.862603	Akaike info criterion	2.711918
Sum squared resid	37.94824	Schwarz criterion	3.120134
Log likelihood	-73.42541	Hannan-Quinn Criter.	2.872471
F-statistic	208.8222	Durbin-Watson stat	0.841280
Prob(F-statistic)	0.000000		

Source: Eviews 10 Data Processing Results

In Table 6 there are Durbin Watson results of 0.841 with dL of 1.461 and dU of 1.729. So it can be concluded that $0 < 0.841 < dL$, so there is positive autocorrelation.

3. Multicollinearity Test

The multicollinearity test aims to find out whether the regression model has a correlation between the independent variables. A good regression model should not have high correlation between independent variables.

Table 7. Multicollinearity Test Results

	X1	X2	X3
X1	1,000000	-0.627152	0.041283
X2	-0.627152	1,000000	-0.211082
X3	0.041283	-0.211082	1,000000

Source: Eviews 10 Data Processing Results

Based on Table 7 shows the results of the correlation coefficient X1 and X2 of $-0.627 < 0.8$, X1 and So it can be concluded that it is free from multicollinearity or passes the multicollinearity test.

4. Heteroskedasticity Test

The heteroscedasticity test aims to test whether the regression model has unequal residual variance from one observation to another. There are several methods that can be used to detect whether or not there are symptoms of heteroscedacity, one of which is the Glejser test. The Glejser test criteria are as follows:

- a. If the probability value is > 0.05 then heteroscedasticity does not occur.
 b. If the probability value ≤ 0.05 then heteroscedasticity occurs.

Table 8. Heteroskedasticity Test Results

Variables	Coefficient	Std. Error	t-Statistics	Prob.
C	-0.200477	0.446014	-0.449487	0.6550
X1	0.010212	0.010259	0.995483	0.3242
X2	-0.000650	0.027996	-0.023231	0.9816
X3	0.111603	0.104970	1.063186	0.2927

Effects Specification

Cross-section fixed (dummy variables)				
R-squared	0.153979	Mean dependent var		0.337307
Adjusted R-squared	-0.028496	SD dependent var		0.252921
SE of regression	0.256499	Akaike info criterion		0.286258
Sum squared resid	3.355376	Schwarz criterion		0.694475
Log likelihood	2.982859	Hannan-Quinn Criter.		0.446812
F-statistic	0.843837	Durbin-Watson stat		2.439925
Prob(F-statistic)	0.598365			

Source: Eviews 10 Data Processing Results

Based on Table 8 shows that the probability value of economic growth (X1), unemployment rate (X2) and poverty rate (X3) is greater than 0.05, so it can be concluded that heteroscedasticity does not occur.

Hypothesis Test (F Test)

The F test aims to find out whether all independent variables have a simultaneous effect on the dependent variable. The results were obtained using the formula, with a real level of 0.05 and $df = (k-1)$ and $df = (nk)$. in this study $df = (4-1)$, $(63-4)$ and the Ftable results obtained were 2,761.

Table 9. Simultaneous Regression Coefficient Test (F-Test)

R-squared	0.978280	Mean dependent var	74.74746
Adjusted R-squared	0.973595	SD dependent var	5.308453
SE of regression	0.862603	Akaike info criterion	2.711918
Sum squared resid	37.94824	Schwarz criterion	3.120134
Log likelihood	-73.42541	Hannan-Quinn Criter.	2.872471
F-statistic	208.8222	Durbin-Watson stat	0.841280
Prob(F-statistic)	0.000000		

Source: Eviews 10 Data Processing Results

Based on Table 9, the values obtained $F_{count} 208,822 > 2,761$ with a probability of $0.000 < 0.05$ then H_0 is rejected and H_1 is accepted. This shows that economic growth, unemployment levels and poverty levels together have a significant effect on people's welfare. The R-Square value is 0.978, this shows that variations in economic growth (X1), unemployment rate (X2) and poverty rate (X3) influence the welfare of the people in Bali Province in 2017-2023 by 0.978, while the remaining 0.022 is influenced by other factors .

Hypothesis Test (t Test)

The t statistical test basically shows how much influence an independent variable individually has on the dependent variable. The results obtained by using real level of 0.05 and $df = (nk)$, that is, in this study $df = (63-4)$ and the t_{table} obtained is 1,671 with The conclusions are as follows.

Table 10. Partial Regression Coefficient Test (t-test)

Variables	Coefficient	Std. Error	t-Statistics	Prob.
C	73.68627	1.499939	49.12617	0.0000
X1	0.060801	0.034500	1.762349	0.0840
X2	0.296078	0.094151	3.144695	0.0028
X3	0.009628	0.353014	0.027274	0.9783

Source: Eviews 10 Data Processing Results

1) The Effect of Economic Growth on Community Welfare

In this study, with a significance level of 0.05 and $df = (63-4)$, a t_{table} of 0.05 was obtained 1,671. The results of the t test, the influence of economic growth on community welfare in Table 11, shows a t value of $1,762 > t_{table} 1,671$ and the probability value is $0.042 < 0.05$ then H_0 is rejected. This shows that partial economic growth has a positive and significant effect on the welfare of the people in districts/cities in Bali Province. The coefficient value of economic growth (X1) is 0.061 and has a positive sign. This shows that if economic growth increases by 1%, community welfare will increase by 0.061 points within one year. These results are in accordance with research results from Rahmawati and Bintoro (2019) which stated that economic growth has a positive and significant effect on the Human Development Index. Meanwhile, according to research results from Ningrum, et al., (2020), economic growth has no significant effect on HDI.

2) The Influence of Unemployment Levels on Community Welfare

In this study, with a significance level of 0.05 and $df = (63-4)$, a t table of 0.05 was obtained 1,671. The results of the t test show that the influence of the unemployment rate on community welfare in Table 11 shows a t value of $3.145 > t_{table 1,671}$ and the probability value is $0.001 < 0.05$ then H_0 is rejected. This shows that the partial unemployment rate has a positive and significant effect on the welfare of the people in districts/cities in Bali Province. The coefficient value of the unemployment rate (X_2) is 0.296 and has a positive sign. This shows that if the unemployment rate increases by 1%, community welfare will increase by 0.296 points. within a period of one year. The results of this test state that the relationship between the unemployment rate and the level of welfare is positive, this can occur if there is voluntary unemployment which occurs when individuals choose not to work at the prevailing wage conditions because they are waiting for better job opportunities or are looking for more suitable work. with their skills and interests. In some countries with strong welfare systems, rising unemployment rates may trigger a response from the government in the form of greater social assistance, job training, or other social security programs. This assistance can help individuals and families to maintain their standard of living while they look for new jobs, which can indirectly improve well-being in the short term. The results of this research are not in accordance with Keynesian theory, where Keynes argued that high unemployment causes a decrease in household income, increases poverty and reduces overall living standards.

The district/city unemployment rate in Bali Province experienced a spike in 2020 to 2022, increasing to 4 to 5 percent, this was due to the Covid-19 pandemic which caused people to lose their jobs. In 2023, the unemployment rate in Bali Province will decrease to 2.69 percent but this figure is still higher than the unemployment rate in 2017 and 2018. Meanwhile, in Table 4.4, the level of welfare of the Regency/City community in Bali Province is measured using the Human Development Index , from 2020 to 2023 it will generally increase. This data shows that the unemployment rate has a positive effect on the welfare of Regency/City communities in Bali Province. Research results from Handayani and Woyanti (2021) also state that the unemployment rate has a positive and significant effect on HDI. Meanwhile, this research is not in accordance with the results of research from Mahroji and Nurkhasanah (2019) which states that the unemployment rate has a negative and significant effect on HDI.

3) The Influence of Poverty Levels on Community Welfare

In this study, with a significance level of 0.05 and $df = (63-4)$, a t table of 0.05 was obtained 1,671. The results of the t test show that the influence of the unemployment rate on community welfare in Table 11 shows a t value of $0.027 < t_{table} 1,671$ and the probability is $0.489 > 0.05$ then H_0 is accepted. This shows that the partial level of poverty does not have a significant effect on the welfare of the people in districts/cities in Bali Province. The coefficient value of the poverty level (X3) is 0.010 and has a positive sign.

Sen (1999) argues that poverty is not just a matter of low income, but rather a person's inability to live a dignified life and fulfill their potential. This is not in accordance with the results of this research which show that there is a positive relationship between the level of poverty and the level of human welfare. This could happen if increasing levels of poverty could trigger more significant and effective public policy responses from governments and other social institutions. In situations where poverty becomes more pronounced and widespread, public pressure on governments to take action often increases. This could encourage governments to implement stronger social assistance programs, investments in education, health, and infrastructure, and fairer redistribution policies. Stronger government intervention in income redistribution through progressive taxation and social spending could reduce inequality and improve overall well-being. When governments respond to increasing poverty by increasing spending on social programs, the most vulnerable individuals can receive the help they need to improve their quality of life. For example, studies from the International Monetary Fund (IMF) show that targeted social spending, such as direct cash transfers, food subsidies, and free access to health and education services, can significantly reduce poverty and improve societal well-being.

Seen in Table 4.3, the district/city poverty rate in Bali Province will increase from 2021 to 2023 to around 4 percent. Meanwhile, in Table 4.4, the level of welfare of Regency/City communities in Bali Province increases from year to year. This shows that the level of poverty has a positive effect on the welfare of the people in the Regency/City of Bali Province. Research results from Palewean, et al. (2018) stated that the poverty level has a positive effect on HDI. Meanwhile, the results of research by Rizki and Nika (2020) show that the level of poverty has no effect on community welfare. Meanwhile, Indrayanti's research (2020) states that the level of poverty has a positive effect on community welfare.

4. DISCUSSION RESULTS

The Effect of Economic Growth on Community Welfare

Based on tests using panel data regression, it shows that economic growth(X1) has a positive and significant effect on community welfare (Y). These results are in accordance with the theory and research hypothesis. Rostow's Theory of Economic Growth, known as the "Stages of Economic Growth," maps the economic development of countries through five stages: traditional society, the prerequisites for take-off, take-off, the drive to maturity, and the age of high mass consumption. This theory states that countries must go through each stage sequentially to achieve sustainable economic development. The economic growth achieved through these stages is closely related to the increase in the Human Development Index (HDI). In the first stage, traditional societies, the economy is based on subsistence farming and low productivity, which often reflects low HDI levels due to lack of access to education, health services, and basic infrastructure. When a country enters the prerequisite stage for take-off, there is an increase in investment in infrastructure, education, and health that supports improved quality of life. The take-off stage is characterized by rapid industrial growth and urbanization, which is often accompanied by increased employment opportunities and incomes, as well as better access to health services and education. In the drive to maturity stage, the economy becomes more diversified and technologically more sophisticated, increasing productivity and national income. This resulted in further improvements in health, education, and living standards, reflected in increases in the HDI. Finally, in the age stage of high mass consumption, the country enjoys broad economic prosperity, with broad access to goods and services, and advanced education and health systems. At this stage, the HDI usually reaches its highest level because people have good access to quality education, adequate health services, and an income that allows a decent life. Therefore, Rostow's theory shows that continuous and sequential economic development has a positive and significant influence on increasing HDI through increasing access and quality in education, health and overall living standards. These results are in accordance with research by Irawan and Akbar (2022) that economic growth has a positive and significant effect on HDI.

The Influence of Unemployment Levels on Community Welfare

Based on tests using panel data regression, it shows that the unemployment rate (X2) has a positive and significant effect on community welfare (Y). These results are not in accordance with the theory and research hypothesis. Although conventionally a high level of

unemployment is considered to have a negative impact on society's welfare, in some contexts, an increase in unemployment can have a positive and significant impact on society's welfare.

Based on the Bali Province Central Statistics Agency, in February 2020 the number of working age population was 77.07 percent. Data on the unemployment rate in the districts/cities of Bali Province can be seen from 2020 to 2022 experiencing a spike, increasing to 4 to 5 percent compared to the previous year. The unemployment rate in Bali Province increased in 2020, which was largely due to the impact of the COVID-19 pandemic. Before the pandemic, Bali was known as one of the provinces with a low unemployment rate, supported by a dominant and stable tourism sector. However, the spread of COVID-19 and the implementation of social restrictions globally caused Bali's tourism sector to decline, considering that tourism contributes more than 50% of Bali's GRDP. Restrictions on international and domestic travel, the closure of hotels, restaurants and tourist attractions, caused the cessation of most economic activity in Bali, which in turn triggered a spike in unemployment.

According to data from the Central Statistics Agency (BPS), the Open Unemployment Rate (TPT) in Bali rose from 1.57% in August 2019 to 5.63% in August 2020. This is a drastic increase, considering that Bali usually has a lower unemployment rate. compared to the national average. Many workers in the tourism and related services sectors, such as hospitality, transportation and trade, have lost their jobs due to a sharp decline in the number of tourists. In fact, many workers who previously had permanent or contract jobs were laid off or sent home without a clear time limit. Apart from that, Bali also experienced a drastic decline in the number of international tourists, with a decrease of almost 90% from the number of visits in previous years. This condition is further exacerbated by the limited alternative sources of income outside the tourism sector, considering that most of Bali's economic structure is highly dependent on this industry. Even though the agricultural sector and creative industries are options for some of the affected population, their contribution is not enough to absorb the number of workers who have lost their jobs in the tourism sector.

Meanwhile, the Bali Human Development Index data from 2020 to 2022 appears to have increased to 75 to 76, this point is classified as a very high HDI. The Human Development Index in Badung Regency and Denpasar City is above 80, points classified as very high HDI, while the human development index in Jembrana, Tabanan, Gianyar, Klungkung, Bangli, Karangasem and Buleleng Regency has human development index points above 70 below 80. These points are classified as HDI tall. This reflects a positive relationship between the unemployment rate and community welfare.

The positive influence that occurs is due to the existence of frictional unemployment where the higher a person's level of education, the more likely they are to choose jobs so that they prefer to be unemployed and try to find work that suits their level of education. Frictional unemployment is inevitable in a changing economy. Bali Province itself After COVID-19, the unemployment rate in Bali Province has increased, but this phenomenon has not caused the Human Development Index (HDI) in Bali Province to decrease. The pandemic has pushed people to shift from the hard-hit tourism sector to alternative sectors such as agriculture, handicrafts and locally based small businesses. This transition is often accompanied by training in new skills and increased knowledge that benefits the individual's self-development. In addition, Bali's strong local culture and close ties with the community also played an important role in this adjustment. Balinese society traditionally has strong social networks and values of mutual cooperation that support economic adjustment and adaptation. Involvement in local economic activities and cultural traditions such as handicraft production and agriculture not only helps reduce unemployment but also strengthens people's quality of life and well-being, which is reflected in increased HDI. Thus, even though the unemployment rate has increased, sector adaptation and local cultural support have contributed to the increase in HDI in Bali after the pandemic. The Ministry of Tourism and Creative Economy noted that the creative industry contributed around 989 trillion rupiah to the 2017 national GDP. In addition, the creative industry provided 17.7 million jobs. Bali Province is rich in art and culture. The Bali Provincial Government (Baliprov, 2020) through the National Economic Recovery Program (PEN) is preparing various assistance programs aimed at social protection and business protection. In social protection, this program provides several assistance to ease the burden on the community, this assistance is the family hope program, direct food assistance, social cash assistance, direct cash assistance-village funds, pre-employment card program, direct cash assistance for Micro, Small Businesses, and Middle, and wage subsidies. In business protection, the government provides an interest subsidy program for micro, small and medium enterprises (UMKN), MSME credit guarantees, corporate credit guarantees and state cash placement in partner commercial banks as a national economic policy. The Bali Provincial Government simplifies the investment permit and licensing process. Creative industries in Bali can also easily get loans and capital. With the policies issued by the government, the level of community welfare in the Regencies/Cities of Bali Province can increase, especially in 2020 to 2022.

In addition, the theory of "creative destruction" popularized by Joseph Schumpeter indicates that innovation and technological change often cause the loss of old jobs but create new jobs that are more productive and higher paying. A study by the McKinsey Global Institute (2017) estimates that automation and new technologies could replace around 15% of global jobs by 2030, but are also projected to create many more new, advanced jobs. This means that although there is a temporary increase in unemployment due to innovation, the long-term effect is an increase in economic efficiency and the overall welfare of society. Countries with strong social security systems also show that increases in unemployment can be offset by effective aid programs, so that people's welfare is maintained. In Sweden, for example, data from the Organization for Economic Co-operation and Development (OECD) shows that although the unemployment rate increased to around 8.6% in 2020 due to the COVID-19 pandemic, a comprehensive social security system helped maintain the level of social welfare. Programs such as adequate unemployment benefits, job training, and subsidized health care help individuals overcome periods of unemployment without experiencing a significant decline in their standard of living.

Additionally, increased unemployment may provide individuals with more time to improve their quality of life through education and self-development. A study from Harvard Business School (2019) found that people who used their unemployment time to improve their skills or education were more likely to find more satisfying, higher-paying jobs in the future. Additionally, this free time can also be used to improve mental and physical health, strengthen family relationships, and participate in community activities, all of which contribute to increased well-being.

Overall, although an increase in unemployment is usually associated with a decrease in well-being, in certain contexts, such as frictional unemployment, technological innovation, and the presence of a strong social security system, an increase in unemployment can have a positive and significant impact on societal well-being. Data and studies supporting this argument show that with the right approach, unemployment can be a productive transition period toward long-term improvements in well-being. The results of this research are in line with research by Handayani and Woyanti (2021) which states that the unemployment rate has a positive and significant effect on HDI. Meanwhile, this research is not in accordance with the results of research from Mahroji and Nurkhasanah (2019) which states that the unemployment rate has a negative and significant effect on HDI.

The Influence of Poverty Levels on Community Welfare

Based on tests using panel data regression, it shows that the poverty level (X_3) has no significant effect on community welfare (Y). The statement that poverty levels can have a positive and insignificant effect on the Human Development Index (HDI) seems counter-intuitive, but in certain contexts, there are arguments that support this view. The Central Statistics Agency (BPS) noted that in September 2020, the poverty rate in Bali increased to 4.45 percent compared to the previous year. This poverty is driven by the economic decline due to tourism which has almost stopped completely. Many small businesses, especially in the tourism sector and its supporters such as hotels, restaurants and souvenir businesses, were forced to close down. In poverty data for districts/cities in Bali Province, in 2021 it increased to 4.53 percent and will continue to increase until 2023. Meanwhile, the level of community welfare in districts/cities in Bali Province increased with various variations. The level of welfare measured using the HDI shows a human development index of 70 and below 80, this point is classified as a very high HDI. From the data, it can be seen that there is a positive relationship between poverty and the level of community welfare in the districts/cities of Bali Province.

Increasing poverty can trigger greater attention and intervention from governments and international organizations in improving the basic aspects of life that are components of HDI, such as education, health and living standards. In this context, increasing poverty can encourage more intensive and effective development programs which ultimately contribute to increasing HDI. One of the efforts made by the government is to provide assistance in the form of social assistance, Micro Business Productive Assistance (BPUM). The Bali Provincial Government distributes social assistance in the form of Non-Cash Food Assistance, Cash Social Assistance, as well as the Family Hope Program and Micro Business Productive Assistance (BPUM). To deal with the economic impact on MSMEs in Bali, the government also calls for optimizing digital transactions. In 2020, the BPUM program reached 3 million recipients, while distribution of People's Business Credit reached 9.93 trillion rupiah disbursed in Bali Province. This is done to strengthen the capital of MSME players by providing KUR and cooperative subsidies. With the assistance provided by the government, the community can fulfill secondary, primary and tertiary needs so that the community's standard of living can be met.

To deal with poverty, the government also provides assistance in the form of internet data quota assistance and single tuition fees for people affected by the COVID-19 pandemic (BPMP Bali Province, 2021). The Ministry of Education, Culture, Research and Technology in 2020 and 2021 has distributed aid amounting to 13.2 trillion rupiah for internet quota assistance. Meanwhile, the total budget provided for UKT assistance from 2020 to 2021 reached 2 trillion rupiah, which was intended for 419,605 students from State Universities (PTN) and Private Universities (PTS) who were affected by the COVID-19 pandemic. With this government assistance, the community can obtain education and increase knowledge so that the level of human welfare in Bali Province can increase even though the poverty level in Bali Province is also increasing.

For example, a study by the International Monetary Fund (2014) shows that countries facing high poverty often increase spending on social programs that improve people's access to education and health services, which are important components of the HDI. Furthermore, human development theory, popularized by Sen (1999), focuses on improving the quality of life and human capacity through access to education and health. In many cases, as poverty levels increase, the focus of policy attention also increases on improving access to basic health and education services. For example, data from the World Bank (2018) shows that countries with high levels of poverty often experience increases in public investment in education and health in response to urgent needs. This can help reduce the negative impact of poverty on HDI and even improve related components.

However, it is important to recognize that the impact of increasing poverty on HDI may be insignificant or limited in the short term. Increases in poverty are often accompanied by profound declines in quality of life, such as reduced access to education and health services, which can lower the HDI. For example, data from the Organization for Economic Co-operation and Development (2020) shows that in many developing countries, increasing poverty is correlated with decreasing HDI due to declines in the quality of education and health received by poor populations. Overall, although it is argued that poverty can trigger attention and interventions that improve HDI, these effects often depend on policy responses and the effectiveness of implemented social programs. Increasing poverty often requires comprehensive treatment to ensure that its negative impact on HDI can be minimized and that the policies implemented truly improve people's quality of life.

These results are in accordance with research from Palenewen, et al. (2018) which states that the poverty level has a positive effect on HDI. Meanwhile, the results of research by Mulia and Saputrah (2020) show that the level of poverty has no effect on community welfare. Meanwhile, Indrayanti's research (2020) states that the level of poverty has a positive effect on community welfare.

5. CONCLUSION

Based on the results of the previous analysis and discussion, the following conclusions can be drawn.

1. Economic growth, unemployment rates and poverty rates simultaneously have a significant influence on the welfare of society in districts/cities in Bali Province in 2017-2023.
2. Economic growth partially has a positive and significant effect on the welfare of the people in Regencies/Cities in Bali Province in 2017-2023.
3. The partial unemployment rate has a positive and significant effect on community welfare in districts/cities in Bali Province in 2017-2023.
4. The poverty level partially has a positive and insignificant effect on the welfare of the people in districts/cities in Bali Province in 2017-2023.

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