



THE IMPACT OF DEMOGRAPHICS AND LABOR PARTICIPATION ON THE ECONOMY OF KERINCI REGENCY

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Abstract

The background of this research is that Muaro Jambi Regency is a Regency that has a potential sector, namely the plantation sector, especially palm oil and rubber commodities. This can be seen from the data from the Central Statistics Agency (BPS) of Jambi Province. The analysis method used is Location Quotient (LQ) Analysis. The type of data used in this study is secondary data, all data used in this study includes the area of oil palm and rubber, production and productivity of oil palm and rubber plantations, production of oil palm and rubber plantations and production data for the last six years, namely 2018 to 2023. The results of the Location Quotient (LQ) analysis show that in Muaro Jambi Regency as a base area for oil palm, namely (i) 2018 with an LQ value of 1.13 (ii) 2020 with an LQ value of 1.19 (iii) 2021 with an LQ value of 1.16 (iv) 2022 with an LQ value of 1.06 (v) 2029 with an LQ value of 1.08. The results of the analysis show that oil palm is a base sector while rubber is a non-base sector.

Keywords: Location Quotient (LQ), palm oil and rubber.

Abstrak

Latar belakang penelitian ini adalah Kabupaten Muaro Jambi merupakan Kabupaten yang memiliki sektor potensial yaitu sektor perkebunan khususnya komoditas kelapa sawit dan karet. Hal ini terlihat dari data Badan Pusat Statistik (BPS) Provinsi Jambi. Metode analisis yang digunakan adalah Analisis Location Quotient (LQ). Jenis data yang digunakan dalam penelitian ini adalah data sekunder, semua data yang digunakan dalam penelitian ini meliputi bidang kelapa sawit dan karet, produksi dan produktivitas perkebunan kelapa sawit dan karet, produksi perkebunan kelapa sawit dan karet serta data produksi selama enam tahun terakhir, yaitu 2018 hingga 2023. Hasil analisis Location Quotient (LQ) menunjukkan bahwa di Kabupaten Muaro Jambi sebagai wilayah dasar kelapa sawit, yaitu (i) 2018 dengan nilai LQ 1,13 (ii) 2020 dengan nilai LQ 1,19 (iii) 2021 dengan nilai LQ 1,16 (iv) 2022 dengan nilai LQ 1,06 (v) 2029 dengan nilai LQ 1,08. Hasil analisis menunjukkan bahwa kelapa sawit merupakan sektor dasar sedangkan karet merupakan sektor non-dasar.

Kata kunci: Location Quotient (LQ), kelapa sawit dan karet.

I. INTRODUCTION

In Indonesia, the issue of employment opportunities is guaranteed by the 1945 Constitution Article 27 Paragraph 2 which reads: every citizen has the right to a decent job and livelihood. So that the Indonesian government is responsible for the creation of job



opportunities and the protection of the workforce. The problem of employment opportunities is a problem for all countries, both developing and developed. The economy is a very important sector and is one of the government's focuses in various policies to achieve welfare. Given the importance of the economic sector, both positive and negative. A country's economy also requires a planned and directed program to achieve the target. Another factor is that a large amount of capital or development funds is needed. Capital scarcity is a major problem that is essential in supporting the improvement of productivity and people's living standards. Therefore, the availability of capital can limit the space for business activities. The highest economy is in 2020 at 9.07% and has experienced a very low decline in 2025 at 3.86%, the number of people in Kerinci Regency in 2016 - 2025 has fluctuated where the population with the highest number is 238682 people in 2022 and the lowest in 2017 is 234,003 people, the labor force participation rate is also fluctuating where the labor force participation rate with the highest number is in 2018 of 71.39% and the lowest in 2022 of 66.26% per year.

II. METHOD

Definition of Economic Growth

According to Kuznets (2021), economic growth is a long-term increase in a country's ability to provide more and more types of economic goods to its population. These capabilities grow in accordance with technological advancements, and the institutional and ideological adjustments it requires. This definition has 3 (three) components:

1. The economic growth of a nation can be seen from the continuous increase in the supply of goods. Advanced technology is a factor in economic growth that determines the degree of growth in the ability to provide various kinds of goods to the population
2. The widespread and efficient use of technology requires adjustments in the institutional and ideological fields so that the innovations produced by human science can be used appropriately.
3. Thus, the higher the economic growth, the higher the welfare of the community, although there is another indicator, namely income distribution.

The Relationship of Population to Economic Growth

According to Santosa (2021), the number of people actually has a static influence on real output (GDP according to constant prices). This means that the high number of people in an area will help increase the economic growth of the area if the population has quality and skills that are used to improve their welfare. So that in general, high population growth must also be balanced with good quality, because human resources are the subject of economic

development and investment in a region in the future. Economic growth is highly dependent on population, labor and capital accumulation. The large population is always synonymous with economic decline because it is considered the cause of problems such as unemployment, malnutrition, and poverty, but this is wrong, because it is actually the population that aggravates these problems, so population growth must be balanced with other policies in order to improve the problems that are being faced. The relationship between population and economic growth actually depends on the quality of human resources and the problems faced by each developing country, basically each country or region has different population problems and is typical of their country or region, so the potential and challenges faced in economic development are also low

III. RESULT

Data collection in this study uses Library Research Techniques. Library Research is a method of collecting data based on information related to the title of this final project and other written data sources. The data used in this study is in the form of data from BPS Kerinci Regency. The data obtained is data in the form of annual for each variable. The data sources used in this study are secondary data obtained from the website of the Central Statistics Agency (BPS) of Kerinci Regency and through written information both from related agencies and the internet. The data obtained is data in the form of annual for each variable. The data used in this study are secondary data. Secondary data is presented in the form of data, documents, tables, regarding research topics. According to (Afrianto, 2000) The use of quantitative methods is used to calculate several things related to the purpose of the research. Data is presented, analyzed. The analysis tools used to answer the existing research objectives use two (2) analytical tools as follows:

Multiple Linear Regression Analysis

To determine the Analysis of the Population and the Participation Rate of the Labor Force on Economic Growth, multiple linear regression analysis was used. This multiple linear regression analysis is used to determine the description and direction of the influence of independent variables on dependent variables used in this study more than one, so it is carried out using a multiple regression equation model. According to Hasan (2023), multiple linear regression is where the bound variables (Y) that are connected or explained by more than one variable may be two, three and so on independent variables (X1, X2,.. Xn). Where the multiple regression equation is as follows:

$$Y=a+bX_1+bX_2+e \quad (1)$$

Description:

Y : Economic Growth(%)

a : Constant

b : Regression Coefficient

X1 : Total Population (Soul)

X2 : Participation RateWorkforce(%)

e: error

Because the units of each variable are different, a formula with logarithms is used as follows:

$$\text{LogY} = \text{Loga} + b_1 X_1 + \text{Log} b_2 X_2 + e$$

V. CONCLUTION

Table I: Economy, Demographics and Labor Participation of Kerinci Regency in 2016 - 2025

Tahun	Perekonomian (%)	Demografi (Jiwa)	Partisipasi Tenaga Kerja (%)
2016	6,21	235 251	67,40
2017	7,50	235 797	66,37
2018	6,16	236 762	69,32
2019	9,07	234 003	67,60
2020	6,41	234 882	71,39
2021	6,72	235 802	0
2022	5,86	236 782	69,46
2023	4,93	237 791	71,14
2024	4,23	238 682	66,26
2025	3,86	250 259	69,55

From table 1.1, it can be concluded that in 2016-2025 economic growth tends to fluctuate where the economy is highest in 2020 at 9.07% and experiences a very low decline in 2025 at 3.86%, the number of people in Kerinci Regency in 2016-2025 fluctuates where the population with the highest number is 238682 people in 2022 and the lowest in 2017 is 234,003 people. The labor force participation rate also fluctuates where the labor force participation rate with the highest figure was 71.39% in 2018 and the lowest in 2022 at 66.26% per year.

V. CONCLUSION

From the results of the analysis and discussion on the Influence of Population (X1) and Labor Force Participation Rate (X2) on Economic Growth (Y) in Kerinci Regency in 2014-2023, it can be concluded as follows:

1. Partially, Demographics (X1) have no effect on Economic Growth (Y) in Kerinci Regency in 2016-2025. Similarly, the Labor Participation Rate (X2) does not have a partial effect on the Economy (Y) in Kerinci Regency in 2016-2025.
2. Simultaneously that the Demographics (X1) and the Labor Participation Rate (X2) to Economic Growth (Y) in Kerinci Regency in 2016-2025 with the significance of X1 and $X2 = 0.656 > 0.05$ and F- calculated $0.449 < 4,737$ F-table.

The magnitude of the partial influence between Demographics (X1) that has no effect on Economic Growth (Y) in Kerinci Regency in 2016-2025 is 10.77% The Labor Participation Rate ((X2) on Economic Growth (Y) in Kerinci Regency in 2016-2025 is 0.60%. Meanwhile, simultaneously between the variables Demographic (X1) which has no effect on Economic Growth (Y) in Kerinci Regency in 2016-2025 is 11.4% while the remaining 88.6% is influenced by other factors that have not been studied in this study.

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