

# The Effect of Government Expenditure on Employment Opportunities Through Investment in South Sulawesi Province

Juardi<sup>1</sup> and Jurais<sup>2</sup>

<sup>1,2</sup>Economics Study Program, Faculty of Islamic Economics and Business, UIN Alauddin Makassar

Email: <sup>1</sup>[juardi.juardi@uin-alauddin.ac.id](mailto:juardi.juardi@uin-alauddin.ac.id) and <sup>2</sup>[jurais.pascauh37@gmail.com](mailto:jurais.pascauh37@gmail.com)

**Abstract**— This study aims to determine: whether spending on infrastructure, education and health affects employment opportunities through investment in South Sulawesi Province. The results of the study show that 1) Infrastructure Expenditures have no direct effect on employment opportunities and indirectly positively affect employment opportunities through investment. 2) Education expenditure does not directly affect employment opportunities and indirectly through investment. 3) Health expenditure directly has a positive effect on employment opportunities and indirectly through investment. 4) Investment does not directly affect job opportunities.

**Keywords**— infrastructure, education, health, investment and economic growth.

## I. INTRODUCTION

Employment is one of the most important things in the effort to advance the nation's economy in providing sufficient employment opportunities to be able to offset the increase in the labor force entering the labor market. The expansion of job opportunities can provide opportunities for the community to carry out economic activities that become a source of income so that they can meet the needs of their lives and their families. Job opportunities can also be interpreted as a demand for labor in the labor market (demand for labor force), therefore the opportunity for cooperation is equal to the number of job vacancies available in the world of work. Of course, the more development activities, the more job opportunities will be available. This becomes very important because the greater the employment opportunities for the workforce, the better the progress of the community's economic activities.

Employment problems are still one of the fundamental problems. This is due to the increasing number of residents and the number of workers who have not got a job but are not matched by adequate employment opportunities. The higher the labor force requires quite a lot of employment, but in reality jobs are not always available. On the other hand, the increasing number of the workforce in a fast and high number while the available job opportunities are very limited. The most

basic problem in employment lies in the level of employment opportunities. The existence of an imbalance between the increase in the working age population and the availability of job opportunities will lead to a gap called unemployment. This unemployment will eventually bring about the impact of economic instability which can later have an impact on instability in other areas of life.

The limited number of available jobs is not matched by the number of the workforce so that it has an impact on high unemployment. In essence, high unemployment will have an impact on economic development. The workforce can be used as a benchmark for success in a regional development, meaning that the workforce supports regional development as a whole. So that employment conditions can also describe economic and social conditions and even the level of welfare of the population in an area within a certain period of time.

Labor is very closely related to economic development because in reality labor is a vehicle that will encourage economic development. In classical theory, it is assumed that humans are the main production factors that determine the prosperity of a society. This is because land will be meaningless if there are no human resources who can cultivate it. And in this case, Adam Smith's classic theory, also states that the effective allocation of human resources is the starter of economic development. If human resources can be effective, they will be able to contribute to development. So it can be said that human resources are the main factor in development (Mankiw 2007).

Improved human quality on the other hand will have an impact on the quality of the workforce which in turn will affect the level and quality of economic growth. Economic growth can affect employment from the demand side (creating jobs) and the supply side (improving the quality of work). In other words, theoretically economic growth plays an important role to increase employment opportunities. An important factor that drives job creation is economic growth (Todaro, 2000)

Based on data published by the Central Statistics Agency (BPS) in the last 5 years, investment and

employment opportunities in South Sulawesi have not shown a consistent increase. Therefore, a policy strategy that is right on target and concrete is needed to consistently encourage it as an effort to open up job opportunities. Based on BPS data for South Sulawesi Province, data on investment comparisons and employment opportunities for South Sulawesi Province in 2014-2018 were obtained shows the level of job opportunities has decreased from 94.94 percent in 2014 to 94.04 percent in 2015. However, in 2016 it increased to 95.19 percent in 2017, it decreased again to 94.39 percent and in 2018 again experienced a decline. increase to 94.65 percent. Although the trend is slow and tends to fluctuate throughout the observations.

The period 2014-2018 investment realization in South Sulawesi fluctuated. Nominally increased in 2015 compared to 2014, then decreased in 2016, and increased again in 2017 and 2018. Investment is one of the macroeconomic variables in encouraging increased employment opportunities. Investment has a positive and significant effect on economic growth (Rohima, 2019).

According to Keynes, to avoid stagnation in the economy, the government seeks to increase the amount of government spending at a higher level of income so that it can increase investment which will have an impact on the level of employment opportunities. The importance of government intervention in spending for development aimed at building physical facilities and other infrastructure, is nothing but investment activities carried out by the government that can encourage the development of community investment activities. Thus, through development spending, it will directly encourage investment activities in the economy.

The role of government spending by opening up more job opportunities, while government spending and investment is a response to the opening of job opportunities. The economic factor needed to solve the problem is the large portion of government spending, distribution of investment and job opportunities to all parts of the regencies and cities in the province of South Sulawesi. Government spending is a stimulus for fiscal policy aimed at increasing the rate of investment, employment opportunities, maintaining economic stability and creating an even distribution of income. Government spending has a positive and significant effect on investment and employment opportunities, both directly and indirectly. Likewise, the effect of investment on job opportunities both in KTI and KBI (Rahmat, 2016).

On the one hand, it reflects effective demand and on the other hand creates productive efficiency for future

production. This investment process results in an increase in output. Investment is needed to meet the demands of the region's increasing population. Investments in capital goods not only increase production but also employment opportunities. Investment as one type of investment has a very large role in development. Capital can enter a region in the form of private capital and state capital so that it will expand job opportunities.

The main factor that determines an economy is able to provide employment opportunities is the accumulation of capital or investment that will produce various projects that provide employment opportunities. In addition, investment can also have a large multiplier effect because it will encourage increased investment both in terms of production and consumption. Increasing both sides will lead to the formation of economic growth and increased employment (Hendarmin, 2012). This view is in accordance with the Lewis theory, the Ranis-Fei theory and the Harrod Domar theory, even the investment theory itself has a direct effect on the expansion of employment, economic growth.

Investment will also increase new job opportunities so that they can absorb workers. Conceptually, infrastructure is needed to increase competitiveness in order to encourage more investment activities to achieve economic development and improve and provide services or access for the community to take advantage of economic opportunities. Investment has a positive and significant effect on labor absorption.

On the other hand, investment will encourage the creation of new capital goods so that it will add production factors which can indirectly create jobs or employment opportunities that will absorb labor and then reduce unemployment (Prasojo, 2009). The availability of job opportunities means improving the welfare of the community. Employment opportunities provide opportunities for the community to carry out economic activities, through economic activities community members have a source of income to finance very basic life needs such as food and clothing.

In this study, government spending does not only provide a stimulus and facilitate a good investment climate, but also how government spending can increase employment opportunities. This argument shows that there is a significant influence between government spending on employment opportunities through investment. If the influence is strong enough, this study will find an important impact of government spending on employment opportunities through investment.

This study focuses on the importance of government spending on infrastructure, education and health. This

study is to see the relationship between government spending on employment opportunities through investment in order to achieve prosperity in a long-term perspective in South Sulawesi. Thus, the title of this research is: "The effect of government spending on employment opportunities through investment in South Sulawesi Province.

## **II. LITERATURE RIVIEW**

### ***Theory About Employment***

According to Law no. 13 of 2003 Chapter I Article 1 paragraph 2 states that the workforce is everyone who is able to do work to produce goods or services both to meet their own needs and for the community. Then according to the Central Statistics Agency, those who are classified as workers are residents who are within the working age limit. The working age limit varies from country to country. In Indonesia, the working age population is the population aged 15 years and over. The concept and definition used in collecting employment data by the Central Bureau of Statistics is The Labor Force Concept suggested by The International Labor Organization (ILO). In Mulyadi (2008) labor is the population of working age (aged 15 to 64 years) or the total population in a country who can produce goods and services if there is a demand for their labor, and if they are willing to participate in these activities.

Workers are residents who are within the working age limit. The workforce is divided into two groups, namely the labor force and the non-labor force. The labor force is the population of working age who is involved or trying to be involved in productive activities, namely producing goods and services. The labor force consists of the working group and the unemployed and looking for work. Non-labor force means residents of working age who are not working, do not have a job and are not looking for work. The non-labor force consists of those who attend school, those who take care of the household and other groups or income recipients. The three groups in this group can offer their services at any time to work. Therefore, this group is often also referred to as the potential labor force.

Labor is a very important factor in the production process. As a means of production, labor is more important than other means of production such as raw materials, land, water, and so on. Because it is humans who move almost all of these sources to produce goods. The number of workers absorbed by an economic sector can be used to describe the absorption capacity of the economic sector in the labor force. Population growth is the most important source of increasing output. An

increasing population almost always leads to an increase in total output.

The absorbed population is spread across various sectors of the economy. Sectors that employ many people generally produce relatively large goods and services so that employment opportunities for workers are much more open in determining options according to their expertise. Each sector experiences a different rate of growth. Likewise, the ability of each sector to absorb labor. The difference in growth rates resulted in two things. First, there are differences in the rate of increase in work productivity in each sector. Second, there is a gradual change in sectoral, both in the absorption of labor and in its contribution to national income.

Expansion of job opportunities is an effort to develop sectors that accommodate job opportunities so that opportunities are involved in the labor market. Efforts to expand employment opportunities cannot be separated from factors such as population and labor force growth, economic growth, labor productivity levels, or policies regarding the expansion of job opportunities itself. On the other hand, the expansion of labor absorption is needed to balance the rate of growth of the young population entering the labor market. The imbalance between labor force growth and job creation will lead to a gap or high unemployment rate.

Absorption of labor is the number of jobs that have been filled, which is reflected in the large number of working people. The working population is absorbed and scattered in various sectors of the economy. The absorption of the working population is caused by the demand for labor with a large population meaning it has large resources as well. Therefore, human resources in the form of labor are important to be utilized as much as possible. The existing workforce must be able to be absorbed by all economic activities and sectors. Labor absorption can be related to the balance of interaction between labor demand and labor supply, in which the market labor demand and market labor supply together determine a balance of labor use.

Classical theory assumes that humans are the main factors of production that determine the prosperity of nations. Nature (land) is meaningless if there are no human resources who are good at managing it so that it is useful for life. In this case, Adam Smith's classical theory also sees that the effective allocation of human resources is the initiator of economic growth. After the economy grows, new (physical) capital accumulation is needed to keep the economy growing.

The classics believed that in balance all resources, including labor, would be fully-employed. Thus, in a system based on a market mechanism, there is no unemployment. If no one works, rather than earning no income at all, then they are willing to work at a lower wage rate. This willingness to work for lower wages will attract companies to hire more of them. So in a perfectly competitive market those who want to work will definitely get a job. Exceptions apply to those who are picky about jobs, or are unwilling to work at market-regulated wage rates.

The importance of balancing all resources including labor resources will be fully utilized. If there is unemployment, the government does not need to take any action/policy. But according to Keynes everywhere workers have a kind of union that will try to fight for the interests of workers from decreasing wages. When wages fall, the income of some people will fall, thereby reducing purchasing power, which in turn will push prices down. When prices fall, this will cause the value of marginal labor productivity to fall drastically and the number of workers accommodated becomes smaller and unemployment becomes wider.

If a balanced state can be achieved, then they should all be accommodated in a job that suits their desires and skills. This will have the consequence that the economy must always provide jobs for the new workforce. A multidimensional process that involves various fundamental changes in the social structure of attitudes of people and national institutions such as accelerating growth, reducing inequality and reducing poverty. Therefore, humans play a significant role in realizing economic development, namely as labor, development inputs, and consumers of the results of development itself (Todaro, 2011).

#### ***Employment Opportunity***

Work provides a person with income, which is used to create effective demand for consumption and capital goods. This effective demand in turn leads to an increase in the production of goods and services. This increase in production again leads to more employment opportunities and thus the Job-Income-Demand-Production-Job cycle is created.

Job opportunities basically depend on how much demand for labor is needed. The size of the elasticity of demand for labor is influenced by factors that allow the substitution of labor with other production factors. The elasticity of demand for the goods produced and the elasticity of supply of other complementary factors of production. The smaller the possibility of substituting

capital for labor, the smaller the elasticity of demand for labor. The greater the elasticity of demand for manufactured goods, the greater the elasticity of demand for labor and the greater the elasticity of supply of complementary factors in production, the greater the elasticity of demand for labor.

The demand for labor is the relationship between the number of workers and the wage level as the price of the demand for labor desired by employers to be employed. Employers' demand for labor is different from consumer demand for goods and services. Employers employ someone because they help produce goods and services that will be offered to the public as consumers. In other words, the increase in labor required by the entrepreneur depends on the increase in demand for goods and services by consumers so that the entrepreneur's demand for labor is also called derived demand, namely demand that occurs due to other requests such as demand for goods and services.

Payaman simanjuntak (1985) in (Buchari 2006) states that employment is a derived demand from labor demand. i.e. the demand for labor is a derivative demand of the output produced. In other words, functionally, the marginal product of labor is a derivative of the resulting output. The theory of endogenous growth put forward by Romer states that the factors that can increase output are human capital, physical capital, research and development.

The creation of job opportunities and increased productivity in the wider activity sectors will increase the income of the population concerned. Policies aimed at expanding job opportunities and increasing labor productivity must be seen in conjunction with policies concerning income distribution in society.

#### ***Relationship between Government Expenditure, Investment, Economic Growth and Employment***

Government expenditure is part of fiscal policy (Hakim Abdul, 2002), which is a government action to regulate the course of the economy by determining the amount of government revenues and expenditures each year which is reflected in the APBN document for the national and regional / regional budgets. The purpose of this fiscal policy is to stabilize prices, output levels and employment opportunities and spur economic growth. Government spending can contribute to economic growth and employment. According to Barro (2001) and Sun'an (2008), the contribution of productive spending will have a positive effect on employment opportunities, on the contrary for unproductive spending will have a negative effect on employment opportunities.

A supportive view of government spending with a significant impact on employment opportunities, that some of the government's government spending is directly intended for the opening of new job opportunities, for example the acceptance of Civil Servants, Police and Military (Raharja, 2008). Research conducted by Noah Karley (2000) on the African continent in 2000 found the effect of government spending on employment opportunities was positive and significant. Other research that is in line with Noa is research conducted by Cavallo (2005), Berument (2008).

Research conducted by Ziyadaturrofiqoh (2018) shows that government spending has a significant effect on employment. Increase the efficiency and effectiveness of government spending from the use of direct and indirect spending. Local governments must be wiser in prioritizing regional development, especially to be able to provide facilities and infrastructure such as road construction and human resource development that is more equitable. In order to further expand employment opportunities. Local governments must prioritize in allocating their expenditures to potential economic sectors and government spending should be optimized for development costs and create productivity that can absorb labor.

Research conducted by Sri Danawati (2016) government spending and investment has a positive and significant effect on employment opportunities. Government spending shows a positive and significant effect on employment opportunities. An increase in government spending will increase employment opportunities. Government spending, both routine and development, can be a driving force in opening up job opportunities for people who need work, which in turn will increase people's income. Likewise, local government capital expenditures have a significant positive effect on employment (Hendarmin, 2012).

Research conducted by Budiyanto (2014) shows that the greater the amount of local government spending on agriculture in the agricultural sector, private investment in the agricultural sector and employment increases. The amount and composition of government spending in fiscal operations has a significant influence on aggregate demand and national output and affects the allocation of resources in an economy. Therefore, to achieve effective economic development, government spending must be allocated appropriately to the potential of each region. Indonesia, which consists of regions with various potential resources, requires determining the amount and composition of different government spending in order to have an impact on private investment growth and maximize employment opportunities. so that

economic growth can be increased through increased investment, higher labor productivity and government spending to be oriented towards the development of the community economy (Romi Juliansyah, 2018).

Research conducted by Siesti (2013) has a positive and significant effect on local spending on employment opportunities. Regional expenditure, or what is known as local government expenditure in the Regional Revenue and Expenditure Budget (APBD), is one of the factors driving regional economic growth. It is hoped that the greater regional spending will increase regional economic activity (economic expansion occurs) which will eventually create jobs. The problem of lack of job opportunities if there is no follow-up will affect the economy which in turn will affect the level of community welfare.

Government spending can increase the output produced by an economic sector. In addition, it can also increase people's income because government spending will become public revenue so as to encourage aggregate demand. Due to an increase in aggregate demand, it encourages producers to increase their production output. For this reason, producers need additional production inputs, one of which is labor, so that new job opportunities will be created. Thus, the increase in government spending will add new job opportunities for the community. Projects financed by the government such as building roads, schools, or other facilities are generally labor-intensive so that they can increase employment.

#### ***Infrastructure Expenditure Linkage, Investment, Job Opportunities***

Government expenditure that focuses on public expenditure is the total expenditure of public services with housing and public facilities which is called infrastructure expenditure. The relationship of infrastructure spending to employment opportunities revealed different results by researchers. Most believe that government spending with a focus on public spending has a significant and negative impact on employment opportunities. In other words, an increase in public spending will have a significant impact on employment opportunities. However, others argue that public spending does not have a significant impact on employment opportunities.

A supportive view of public spending with a significant impact on employment. Research conducted by Aphu (2019) that government spending on infrastructure reduces unemployment and creates new jobs. The increase in public sector spending has expanded which has generated interest in both developed and developing countries optimizing the size of government spending.

The need to provide and expand public goods becomes an urgent demand to expand and serve a growing population through the provision of employment opportunities. Employment is generated when employment opportunities are provided by the government through its expenditures for the provision of social and economic infrastructure facilities in the economy. That the provision of infrastructure facilities has the dual purpose of generating employment opportunities directly while at the same time using the facilities to encourage productive sectors to generate and provide employment for the population or labor force (Araga, 2016). Likewise, research conducted by Faramarzi, (2014) shows that government spending has a positive effect on employment.

Research conducted by Muliadi (2019) examining Road Infrastructure, Capital Expenditures and Employment Opportunities shows that road infrastructure and capital expenditures have a positive and significant effect on job creation. This shows that the existence of road infrastructure and capital expenditures have become the main determinants of job creation. Therefore, local governments must improve road infrastructure to increase community economic activities and allocate local government budgets for capital expenditures effectively. Likewise, public spending has a positive impact on the employment economy (Belarbi, 2017).

Research conducted by Nalyda (2015) shows that education spending and infrastructure spending have a positive effect on employment. Job opportunities can be done through various public works projects or infrastructure, for example the construction of waterways, dams, bridges can open new jobs. In carrying out infrastructure projects, government intervention is required, one of which can be in the form of providing funds through government spending policies for infrastructure functions.

Research conducted by Wahyu Zamzami (2020) shows that capital expenditure and investment have a significant effect on job opportunities, while partially the variables that have a significant effect on job opportunities. The importance of public sector government spending such as basic infrastructure has a multi-effect, Infrastructure is needed to increase competitiveness in order to encourage more investment activities so as to create jobs. Government spending on infrastructure has a positive impact on increasing investment. These results are in line with the research of Othman & Yusop, (2019). Research by Othman, Yusop, (2019) shows that fiscal policy by prioritizing infrastructure spending will attract investors to invest higher.

This is because infrastructure is the primary public infrastructure in supporting economic activities and the availability of infrastructure greatly determines the level of efficiency and effectiveness of economic activities. Infrastructure is defined as the main service of a country that can support the sustainability of community activities and economic activities by providing transportation and other supporting facilities (Jaiblai & Shenai, 2019). Adequate infrastructure will result in efficiency in the business world, so that the investment obtained will increase. Investment activities through infrastructure can be carried out. The investment process that enters the country will be faster if the existing infrastructure supports the distribution and production processes.

Todaro (2000) explains the link between infrastructure and economic development, that what is included in the definition of infrastructure is physical and financial aspects. The level of availability of infrastructure in a country is an important and decisive factor for the speed and extent of economic development. Infrastructure development can be used as a driving force for national development. The existence of adequate infrastructure will contribute to the smooth production and distribution of goods and services that can increase the country's economic growth and increase economic equity in the region. Of course, infrastructure can also encourage foreign and domestic investors to invest their capital so that job expansion will be open. Likewise, government spending has a positive and significant effect on employment (Putu, 2019).

Not all research results support that government spending has a significant impact on employment opportunities. The view that supports this starts from the results of research conducted by Hellen (2017) investigating the effect of investment and labor as well as government spending on economic growth and employment opportunities. Government spending directly has no significant effect on employment opportunities. Research was also conducted by Nancy (2019) that infrastructure spending has a positive but not significant effect on economic growth and employment opportunities.

The level of availability of the public sector in a country is an important and decisive factor for the speed and extent of economic development. Infrastructure as physical facilities and services developed or required by public agencies for government functions in the provision of water, electricity, waste disposal, transportation and similar services to facilitate the objectives of meeting basic social and economic needs. . Therefore, infrastructure is parts of facilities and

infrastructure (network) that are inseparable from each other defined in a system.

The relationship between government spending on education and employment opportunities turned out to be different between the findings of the researchers. Most believe that government spending on education has a significant positive impact on employment opportunities. In other words, an increase in government spending on education has an impact on increasing job opportunities, and vice versa. A small number of research results show that in some countries, government spending on education actually has a negative effect on employment opportunities.

Education can conceptually improve the standard of living. In other words, government spending on education is an investment to increase the number of skilled workers in the economy and improve the welfare of the community. Education has always been a strategy in fostering human resources as a form of the development agenda and shaping the future of a nation. Good education will produce a proportional workforce that can meet the workforce of a country. Education is always associated with the labor market that the higher a person's education, the greater the chance of getting a decent job. This means that the higher the quality of human resources, the easier it is to get involved in the labor market. This shows that the current development of education is beneficial for increasing the employment rate, increasing the proportion of workers and the development of higher education creating a positive effect on employment Zhongchang (2007).

Government spending in the education sector is also a way out to solve economic problems such as unemployment, economic recession (Nurudeen & Usman, 2010). Government spending on education could increase the number of skilled workers in the economy. He is able to create job opportunities and meet the requirements of skilled and semi-skilled workers in the economic field. It is important to increase the number of skilled workers, create and fulfill jobs so far as education can affect employment in the economy (Muhammad, 2017).

Government spending on education also has the potential to increase employment among children through government spending at the basic level and that will result in a more skilled workforce in the economic sector in the future through government spending at the tertiary level (Viaene & Zilcha, 2003). Government spending on education is very important for people especially low-income people because education at the tertiary level is too expensive and the real costs are higher than the ability paid by students. If government

spending on education is implemented, it will also increase people's income in the future.

#### ***Related health expenses, investment and employment opportunities***

The relationship between health expenditure on employment opportunities turns out to show different results among the findings of the researchers. Some researchers believe that government spending on health has a positive and significant impact on employment opportunities. In other words, increasing health expenditure has a positive impact on increasing employment opportunities. While some other researchers argue that health government spending does not have a significant impact on employment opportunities.

Research conducted by Zafer (2014) Government expenditure and investment health services in human resources through education as defined can play a significant role in reducing the unemployment rate. Likewise, the research conducted by Mardiana (2017) expenditure on the health sector for unemployment in East Kalimantan shows that the budget expenditure of the health sector for unemployment has a significant effect, meaning that the increase in government spending on the health sector can reduce the anniversary.

Research conducted by Gambang (2016) Government expenditure in the health sector shows a positive relationship to employment opportunities, this can be interpreted that government spending on the health sector has played a role in increasing the community's needs for health. With the existence of government expenditure in the health sector will provide convenience to the public to be able to access health easily. Health is a very important thing for basic human needs. Health is the right for every citizen, therefore the importance of improving nutrition and health services. Repairs in the health sector are a form of investment, investment in the health sector is very necessary to improve the quality of human resources. The influence of health improvement can increase the participate of labor to obtain a decent job. While the effect of government expenditure for health functions, has a significant effect on employment in West Java Province (Nalyda, 2015).

Health sector expenditure can increase healthy and quality workers. Repair in the health sector is a form of investment, investment in the health sector is very necessary to improve the quality of human resources. The effect of the amount of health sector government expenditure can increase the participate of productive

labor and obtain work in the labor market so it is easy to get a decent job.

### ***Investment Links to Job Opportunities***

The relationship between investment and employment opportunities turned out to show different results among the findings of the researchers. Most believe that investment has a significant positive impact on employment opportunities. In other words, an increase in investment has an impact on increasing employment opportunities, and vice versa. Some research results show that in some countries, investment actually has a negative effect on employment opportunities. The main factor that determines an economy is able to provide employment opportunities is the accumulation of capital or investment that will produce various projects that provide employment.

Research conducted by Nugroho (2008) The size of interest in both Foreign Direct Investment (FDI) and Domestic Investment (PMDN) in a country depends on various factors such as: Natural Resources, Human Resources, Political and Economic Stability, Government Policy Stability, Ease in Licensing, Inflation, Employment and Labor Ethics, crime rates, currency regulations, access to finance, Tax Rates, Labor Regulations, Tax Regulations, Infrastructure Conditions, Bureaucracy, efficiency levels, interest rates, social and cultural factors, and etc.

Research conducted by Saadah (2018) shows that investment has a significant positive effect on employment in the small formal industry. Investment continues to increase economic activity and employment, increase national income and improve people's welfare. Investment by the company will affect the expansion of job opportunities. This is because the investment will improve the production process and make the production process require human labor, as well as the company requires additional manpower. Meanwhile, research conducted by Masipa (2014) sees that there is strong evidence of a positive long-term relationship between FDI, GDP, and employment in South Africa. In addition to ascertaining and also identifying factors that might affect the flow of foreign investors to South Africa. These factors include, return on investment, human capital, labor costs, labor disputes and corruption. The government should put more emphasis on these factors so that South Africa is conducive to foreign investment. It thus suggests that FDI should be considered as a mechanism for enhancing long-term economic growth and employment in South Africa

Research conducted by Muhammad Taufik (2014) shows that investment has a significant effect on

employment. Whereas so far, investment has had a real impact on the expansion of employment in East Kalimantan because investment is mostly realized in labor-intensive sectors. In addition, investment can also have a large multiplier effect (Risvi, 2009) because it will encourage increased investment both in terms of production and consumption. Increasing both sides will lead to the formation of economic growth and increased employment (Hendarmin, 2012). This view is in accordance with the Lewis theory, the Ranis-Fei theory and the Harrod Domar theory, even the investment theory itself has a direct effect on all three things; expansion of employment, economic growth and poverty reduction.

Research conducted by Kemala (2006) regarding investment, it is very influential on job opportunities and income. The amount of investment value will determine the amount of labor demand. Theoretically, the greater the value of the investment made, the greater the additional use of labor. Assuming that the economy is always trying to achieve optimal conditions, increasing the use of capital through investment activities, which means increasing production capacity, will also increase the use of labor, which in turn raises the maximum level of output that can be achieved. The greater the use of capital, the greater the use of labor, and the greater the output that can be produced

With an increase in investment in an industry, it will also increase employment. This is because an increase in investment will increase the number of companies in the industry. An increase in the number of companies will increase the amount of output that will be produced so that employment will increase and will reduce unemployment or in other words will increase employment (Matz, 2003). Investment is a component of aggregate demand; investment also has a role in the production capacity of the economy. The amount of production capacity in the economy can be reflected in the number of businesses in the economy, both large, medium, micro, and small businesses so that it will open up job opportunities in the demand for labor.

According to Harrod-Domar, investment not only creates demand, but also increases production capacity. Labor, which is one of the factors of production, will automatically increase its use. The dynamics of investment affects the level of economic growth, reflecting the rampant sluggish development. Achievement can be measured by the ability to solve various problems including work problems. This is in line with one of the main development goals, namely the creation of new job opportunities in sufficient quantity and quality to be able to absorb additional advanced workers to enter the labor market. The number of



workers absorbed by the economic sector can explain the absorption capacity of the labor sector. Likewise, small industries whose existence has a strategic role in the national economy are as important as sources for increasing job opportunities.

Not all research results support that investment has a significant impact on employment opportunities. The view that supports this starts from the results of research conducted by Hellen (2017) that investment and government spending do not have a significant effect on employment. The insignificance of investment in employment opportunities is due to the uneven investment in several sectors, resulting in the small number of available jobs so that job opportunities are still very low.

Research conducted by Saadah Alfizah (2020) Investment has no significant effect on employment. lack of encouragement and make it easier for investors to invest and develop business units in industry so as to increase employment. This can be done by providing easy licensing to investors who will invest and facilitating the provision of capital loans to industrial entrepreneurs.

Research conducted by Ahmad Nur (2019) that there is an insignificant effect between PMDN on the workforce of the province of East Kalimantan. Because the leading sector of the East Kalimantan economy, namely coal, is experiencing turmoil, investors who easily open coal fields result in a lot of competition, of course this creates more job opportunities, but with many competitors and with limited natural resources. resulting in a very short working period, if the coal project runs out, it will be difficult for entrepreneurs to find land to rebuild their business.

Research conducted by Ahmad Nur Setyawan (2008) additional foreign investment entering Indonesia does not increase the number of job opportunities in Indonesia. Foreign investment that enters Indonesia is only capital-intensive industries such as the pharmaceutical and automotive industries. Likewise, research conducted by Gatot Setio (2013) made the tourism sector the pillar of the economy, resulting in investment entering the Province of Bali being more focused on the tourism sector. On the other hand, investment in the industrial and agricultural sectors tends to be small. In fact, these two sectors are quite large in providing job opportunities compared to the ability of the tourism sector and its supporting sectors in providing job opportunities.

III. METHODS

The analytical technique used in this research is the method of Structural Model analysis using eviews analysis tools. to determine the effect of public sector focus infrastructure spending, education spending and health spending on investment, the effect of investment on economic growth and employment opportunities, the effect of economic growth on employment opportunities, the effect of public sector infrastructure spending, education spending and health spending on employment opportunities through investment. and economic growth, the effect of investment on employment opportunities through economic growth.

The equation of the Structural Model analysis model can be written into the following equation:

$$Y_1 = f(X_1, X_2, X_3) \dots \dots \dots (3.1)$$

$$Y_2 = f(Y_1, X_1, X_2, X_3) \dots \dots \dots (3.2)$$

Based on the functional relationship above then with equation (3.3) as follows:

$$\begin{aligned} Y_1 &= \alpha_0 + X_1^{\alpha_1} + X_2^{\alpha_2} + X_3^{\alpha_3} + \mu_1 \\ &= \alpha_0 + \alpha_1 X_1 + \alpha_2 X_2 + \alpha_3 X_3 + \mu_1 \\ &= \alpha_0 + \alpha_1 \text{Ln}X_1 + \alpha_2 \text{Ln}X_2 + \alpha_3 \text{Ln}X_3 + \mu_1 \\ Y_2 &= \beta_0 + X_1^{\beta_1} + X_2^{\beta_2} + X_3^{\beta_3} + \mu_2 \\ &= \beta_0 + \beta_1 X_1 + \beta_2 X_2 + \beta_3 X_3 + \mu_2 \\ &= \beta_0 + \beta_1 \text{Ln}X_1 + \beta_2 \text{Ln}X_2 + \beta_3 \text{Ln}X_3 + \mu_2 \end{aligned}$$

Substitute equation (3.3) into equation (3.4):

$$\begin{aligned} Y_2 &= \gamma_1 \text{Ln}Y_1 + \gamma_2 \text{Ln}X_1 + \gamma_3 \text{Ln}X_2 + \gamma_4 \text{Ln}X_3 + \mu_2 \\ Y_2 &= \gamma_1 (\alpha_0 + \alpha_1 \text{Ln}X_1 + \alpha_2 \text{Ln}X_2 + \alpha_3 \text{Ln}X_3 + \mu_1) + \gamma_2 (\beta_0 + \beta_1 \text{Ln}X_1 + \beta_2 \text{Ln}X_2 + \beta_3 \text{Ln}X_3 + \mu_2) + \mu_2 \\ Y_2 &= \gamma_1 \alpha_0 + \gamma_1 \alpha_1 \text{Ln}X_1 + \gamma_1 \alpha_2 \text{Ln}X_2 + \gamma_1 \alpha_3 \text{Ln}X_3 + \gamma_1 \mu_1 + \gamma_2 \beta_0 + \gamma_2 \beta_1 \text{Ln}X_1 + \gamma_2 \beta_2 \text{Ln}X_2 + \gamma_2 \beta_3 \text{Ln}X_3 + \gamma_2 \mu_2 \\ Y_2 &= \gamma_1 \alpha_0 + \gamma_2 \beta_0 + \gamma_1 \alpha_1 \text{Ln}X_1 + \gamma_2 \beta_1 \text{Ln}X_1 + \gamma_3 \text{Ln}X_1 + \gamma_1 \alpha_2 \text{Ln}X_2 + \gamma_2 \beta_2 \text{Ln}X_2 + \gamma_4 \text{Ln}X_2 + \gamma_1 \alpha_3 \text{Ln}X_3 + \gamma_2 \beta_3 \text{Ln}X_3 + \gamma_5 \text{Ln}X_3 + \gamma_1 \mu_1 + \gamma_2 \mu_2 \\ Y_2 &= \gamma_1 \alpha_0 + \gamma_2 \beta_0 + (\gamma_1 \alpha_1 + \gamma_2 \beta_1 + \gamma_3) \text{Ln}X_1 + (\gamma_1 \alpha_2 + \gamma_2 \beta_2 + \gamma_4) \text{Ln}X_2 + (\gamma_1 \alpha_3 + \gamma_2 \beta_3 + \gamma_5) \text{Ln}X_3 + \gamma_1 \mu_1 + \gamma_2 \mu_2 \end{aligned}$$

Equation (3.4) can be summarized as:

$$Y_2 = \Omega_0 + \Omega_1 \text{Ln}X_1 + \Omega_2 \text{Ln}X_2 + \Omega_3 \text{Ln}X_3 + \mu_{12} \dots \dots \dots (3.5)$$

Where:

$$\begin{aligned} \Omega_0 &= \delta_0 + \gamma_1 \alpha_0 + \gamma_2 \beta_0 \\ \Omega_1 &= \gamma_1 \alpha_1 + \gamma_2 \beta_1 + \gamma_3 \\ \Omega_2 &= \gamma_1 \alpha_2 + \gamma_2 \beta_2 + \gamma_4 \\ \Omega_3 &= \gamma_1 \alpha_3 + \gamma_2 \beta_3 + \gamma_5 \\ \mu_{12} &= \gamma_1 \mu_1 + \gamma_2 \mu_2 \end{aligned}$$

Where  $\Omega_0, \Omega_1, \Omega_2$  are the parameters to be estimated, while  $1, 2$  is the error term of the Job Opportunity variable.

Information:

- Y2 = Employment Opportunity (Ratio)
- Y1 = Investment (Rupiah)
- X1 = Infrastructure Expenditure (Rupiah)
- X2 = Education Expenditure (Rupiah)
- X3 = Health Expenditure (Rupiah)

Constant

$\alpha_0$  = Constant for Y1

$\beta_0$  = Constant for Y2

$\Omega_0 = \gamma_0 + \gamma_1 \alpha_0 + \gamma_2 \beta_0$  = Constant for Y2

Direct Influence:

$\alpha_1$  = direct effect of X1 on Y1

$\alpha_2$  = direct effect of X2 on Y1

$\alpha_3$  = direct effect of X3 on Y1

$\beta_1$  = direct effect of X1 on Y2

$\beta_2$  = direct effect of X2 on Y2

$\beta_3$  = direct effect of X3 on Y2

$\gamma_1$  = direct effect of X2 on Y2

Indirect influence

$\gamma_1 \alpha_1$  = Indirect effect of X1 on Y2 through Y1

$\gamma_2 \alpha_2$  = Indirect effect of X2 on Y2 through Y1

$\gamma_3 \alpha_3$  = Indirect effect of X3 on Y2 through Y1

#### IV. ANALYSIS AND DISCUSSION OF RESULT

The collected data is then processed using SPSS software. After the data is processed, the output generated by the software is as follows:

Table 1: Results of Direct Variable Relationship Analysis

Relationship Variable	Coefficient	Probability	Description
X1 → Y1	2.040	0.001	Significant
X2 → Y1	0.413	0.539	Not significant
X3 → Y1	-1.449	0.090	Not significant
X1 → Y2	-0.011	0.988	Not significant
X2 → Y2	0.051	0.949	Not significant
X3 → Y2	-1.860	0.065	Not significant
Y1 → Y2	-1.129	0.261	Not significant

Source: SPSS 21, (processed data)

Based on the results of the analysis shows the results of statistical analysis of the direct effect of infrastructure spending on investment, the effect of education on investment, the effect of health on investment and the effect of investment on employment opportunities in South Sulawesi Province.

The results of the estimation of infrastructure expenditure on investment are 2,040 with a significance level of 0.000, this means that infrastructure expenditure has a significant effect on investment. This means that infrastructure spending has a positive and significant impact on investment, every 1 percent increase in infrastructure spending will increase investment by 2,040 percent, and vice versa every 1 percent decrease in infrastructure spending will decrease investment by 2,040 percent.

The results of the estimated education expenditure on investment are 0.413 with a significance level of 0.539, this means that education expenditure has no significant effect on investment.

The results of the estimated health expenditure on investment are -1,449 with a significance level of 0.090, this means that health expenditure has no significant effect on investment.

The estimation result of infrastructure spending on employment opportunities is -0.011 with a significance level of 0.988. This means that infrastructure spending has no effect on employment opportunities.

The results of the estimated education expenditure on employment opportunities are 0.051 with a significance level of 0.949. This means that education expenditure does not affect employment opportunities through employment opportunities.

The results of the estimated health expenditure on employment opportunities are -1.860 with a significance level of 0.065. This means that health expenditure has no effect on employment opportunities.

The result of the estimated investment for employment opportunities is -1.129 with a significance level of 0.261. This means that investment has no effect on employment opportunities

#### Effect of infrastructure spending on job opportunities

The effect of infrastructure spending on employment opportunities shows non-significant results. The result of the estimated infrastructure expenditure on job opportunities is -0.011 with a probability of 0.988. This is because the proportion of capital expenditures is smaller than personnel expenditures in South Sulawesi Province when we look at the data in 2019 and 2020 in

South Sulawesi Province, respectively, in 2020, capital expenditures amounted to 78 billion and personnel expenditures amounted to 451 billion, while in 2019 capital expenditures amounted to Rp. 66 billion and personnel expenditure of 437 billion. Likewise, when referring to the distribution of the realization of the infrastructure budget until 2019, the City Districts in the South Sulawesi Province have not been evenly distributed and are still concentrated in several district cities such as Makassar City with a budget realization of 671 billion, this condition will provide more labor absorption. This is evidenced by the large number of workers absorbed in the city of Makassar with 592,517 people compared to other cities and regencies whose budget realization values are relatively small in the province of South Sulawesi. This result is supported by previous findings by Fanggidae (2019) that government spending does not create job opportunities because the portion is relatively small and capital expenditures must be enlarged and directed towards infrastructure development.

***Effect of Education Expenditure on Job Opportunities***

The effect of education expenditure on employment opportunities shows insignificant results. The estimated result of education on job opportunities is 0.051 with a probability of 0.949. This is due to the fact that the proportion of realized education expenditures in South Sulawesi Province is still dominated by personnel expenditures compared to capital expenditures if we look at the data from 2019 to 2020 in South Sulawesi Province, respectively, in 2019 capital expenditures amounted to 281 billion and personnel expenditures amounted to 1.932 trillion while in 2019 in 2020 each capital expenditure is 604 billion and capital expenditure is 604 billion and personnel expenditure is 1.952 trillion. Likewise, the proportion of health spending in each district experiencing inequality is only concentrated in a few Districts and Municipalities in South Sulawesi Province. This illustrates that a higher proportion of education expenditure will have a relatively more impact on employment. This is evidenced by the large number of workers absorbed in the city of Makassar with 592,517 people compared to other cities and regencies with a relatively large proportion of education expenditure. This result is in line with previous research conducted by Nancy (2019) that infrastructure spending has a positive but not significant effect on economic growth and employment opportunities.

***Effect of Health Expenditure on employment opportunities***

The effect of investment on employment opportunities shows no significant effect. The result of the Health

estimate on investment is -1.860 with a probability of 0.065. This is due to health expenditures in 2019 and 2020 with the proportion of realized health expenditure budgets in South Sulawesi Province being dominated by personnel expenditures in 2019 of 324 billion and capital expenditures of 111 billion, while in 2020, respectively, personnel and capital expenditures of 365 billion and 158 billion.

Likewise, the realization of health expenditures for City Districts in South Sulawesi Province is still concentrated in several City Districts such as Gowa District, Makassar City and Pare Pare City. Besides that, the proportion of health expenditure is relatively smaller than the education sector, even though the education and health sectors are equally important to support labor productivity. These results are in line with research conducted by Rahmah Amalia (2015) that district government spending on employment opportunities is negatively and insignificantly related. This means that direct district government spending is not large enough to encourage increased employment opportunities.

***The Effect of Investment on Job Opportunities***

The effect of investment on employment opportunities shows no significant effect. The result of the estimated investment for employment opportunities is -1,129 with a probability of 0.261. This shows that investment has no effect on employment opportunities. Until 2018 the Central Statistics Agency (BPS) Infrastructure spending has increased investment, but investment is capital-intensive, not labor-intensive, this is proven by the realization of the largest investment in the electricity, gas and drinking water sectors with a value of IDR 5,013 billion, capable of absorbing a workforce of IDR 5,013 billion. 2,807 compared to labor-intensive mining investment with an investment value of IDR 1,146 billion, which is able to absorb 8,037 workers. The realization of investment in the metal industry, metal goods, machinery and electronics with a value of 1,230 trillion is able to absorb 580 workers compared to the food industry with an investment value of 366 billion, which is able to absorb 1,112 workers, meaning that investment in south sulawesi is more capital-intensive.

Referring to the data from the Investment Office and One Stop Integrated Service (DPMPSTP) foreign investment investment (PMA) has not been evenly distributed in the City District in South Sulawesi Province, this is proven until 2019 foreign investment is still concentrated in several city districts such as in the City Makassar and East Luwu with an investment value of 1.452 trillion Makassar City and 2.511 trillion East Luwu district with 228 and 16 projects respectively, so that the City District which is still relatively small in investment value is weak in absorbing labor, meaning

that the more projects available will expand employment Opportunity. This result is in line with Hellen's (2017) research that investment and government spending have no significant effect on employment. The insignificance of investment in employment opportunities is due to uneven investment in several sectors so that it has an impact on the small number of available jobs so that job opportunities are still very low and research conducted

by Ahmad Nur Setyawan (2008) additional investment entering Indonesia does not increase the number of opportunities. work in Indonesia. Investments that enter Indonesia are only capital-intensive industries such as the pharmaceutical and automotive industries. The government should pay more attention to policies in the investment sector so as to direct investment towards sectors that absorb more labor.

**Result of Direct and Indirect Effect Coefficient Estimation**

*Table 2: Direct Between Variables*

Variable Relationship	Direct	Indirect Relationship	Indirect Influence Coefficient	Information
$X_1 \rightarrow Y_1 \rightarrow Z$	-0.011	$\gamma_1 \cdot \alpha_1$	0.000	Significant
$X_2 \rightarrow Y_1 \rightarrow Z$	0.051	$\gamma_1 \cdot \alpha_2$	0.001	Significant
$X_3 \rightarrow Y_1 \rightarrow Z$	-1.860	$\gamma_1 \cdot \alpha_3$	0.065	Not significant

Source: SPSS 21, Processed

**The Effect of Infrastructure Spending on Employment Opportunities Through Investment**

This shows that infrastructure spending has a positive and significant impact on employment opportunities through investment. The results of the estimated infrastructure expenditure indirectly on employment opportunities through investment with a significant level of 0.000. Infrastructure spending has had a positive impact on the development of facilities and infrastructure in South Sulawesi Province, such as road infrastructure (paved). Referring to the data from the Central Statistics Agency (BPS) in 2016 with 1064 KM increasing to 1565 KM in 2018 as well as other builders such as ports and airports to integrate all regions, which means improving infrastructure as the main support in carrying out economic activities and can be a medium for establishing Communication and interaction between communities continues to improve so that it is believed that good infrastructure can encourage investment in South Sulawesi Province.

This result is supported by previous empirical findings that government spending in infrastructure has a positive impact on increasing investment. These results are in line with the research of Othman & Yusop, (2019). Research by Othman, Yusop, (2019) shows that fiscal policy by prioritizing infrastructure spending will attract investors to invest higher. This is because infrastructure is the primary public infrastructure in supporting economic activities and the availability of infrastructure greatly determines the level of efficiency and effectiveness of economic activities. Infrastructure is defined as the main service of a country that can support the sustainability of community activities and economic activities by providing transportation and other

supporting facilities (Jaiblai & Shenai, 2019). Adequate infrastructure will result in efficiency in the business world, so that the investment obtained will increase. Investment activities through infrastructure can be carried out. The investment process that enters the country will be faster if the existing infrastructure supports the distribution and production processes.

In addition, the realization of investment in South Sulawesi province tends to increase both foreign investment (PMA) and domestic investment (PMDN) based on data from the South Sulawesi Province Investment and One Stop Integrated Service (DPMPTSP) in 2016 the value of investment in Domestic Direct Investment (PMDN) of 3,334 Trillion rose to 5,672 Trillion in 2019 with 362 and 1,033 projects, respectively. This finding is in line with Risvi (2009) which shows that investment has a positive indirect effect on employment opportunities, investment can have a large multiplier effect. Increased investment both in terms of production and consumption. Increasing both sides will lead to the formation of economic growth and increased employment.

This research is also supported by research conducted by Kemala (2006) regarding investment, this is very influential on job opportunities and income. The amount of investment value will determine the amount of labor demand. Theoretically, the greater the value of the investment made, the greater the additional use of labor. Assuming that the economy is always trying to achieve optimal conditions, increasing the use of capital through investment activities, which means increasing production capacity, will also increase the use of labor, which in turn raises the maximum level of output that can be achieved. The greater the use of capital, the

greater the use of labor, and the greater the output that can be produced.

#### ***Effect of Education Expenditure on Employment Opportunities through Investment***

The effect of education on employment opportunities has a negative and significant effect through investment. The estimated results of education on employment opportunities through investment with a significant level of -0.001. This is because the proportion of education expenditures in each Regency City has increased until 2019, In general, education development in South Sulawesi Province continues to improve, this is indicated by the increasing average length of schooling. The average length of schooling in South Sulawesi province in 2015 reached 7.64 years, then in 2016 it became 7.75 years and in 2017 it reached 7.95 in 2018 it reached 8.02. This increase in the average length of schooling has an impact on reducing the number of working people because they choose to continue their education at a higher level.

However, the average number of years of schooling in each district experienced inequality, only concentrated in Makassar City, Pare Pare and Palopo City, respectively, the average length of schooling was 11.20 years, 10.30 years and 10.75 years. This provides an overview with a higher level of community education so that it is easily absorbed in the labor market.

This is evidenced by the large number of workers absorbed in the city of Makassar as many as 592,517 people compared to other cities and regencies. These results are supported by previous empirical findings conducted by Craigwell et al (2012) who investigated the effectiveness of government education spending in the Caribbean. The results showed that spending on education had no significant effect on school participation, both primary and secondary. Realization of education expenditure is still relatively small to finance a number of programs aimed at increasing enrollment rates and average length of schooling.

This is also in line with the previous hypothesis, according to Buchari (2016), some investors focus on the competence of workers so that investors are more interested in investing in places that have qualified human resources.

The low level of education of the working population, especially in the industrial sector, will lead to low quantity and quality of output produced by producers and will directly have an impact on low employment opportunities in the sector.

This is also related to the problem of link and match between the workforce produced by the world of

education and the demand for labor by the industrial world. competitiveness of the business world, especially the industrial world as one of the largest contributory sectors in the regional economy.

#### ***Effect of health expenditure on employment opportunities through investment***

The indirect effect of health on employment opportunities does not affect through investment. The result of the estimated health of employment opportunities through investment is 0.065. This is because the proportion of personnel expenditures is greater than capital expenditures in 2019 and 2020 with the proportion of realized health expenditure budgets in South Sulawesi Province, respectively, which is dominated by personnel expenditures in 2019 of 324 billion and capital expenditures of 111 billion, while in 2020 respectively, personnel and capital expenditures of 365 billion and 158 billion.

Likewise, the realization of health expenditures for City Districts in South Sulawesi Province is still concentrated in several City Districts such as Gowa District, Makassar City and Pare Pare City. In addition, investment has not been evenly distributed in City Districts in South Sulawesi Province, this is proven until 2019 foreign investment is still concentrated in several city districts such as Makassar City and East Luwu with an investment value of Makassar City of 1,452 trillion and East Luwu Regency of 2,511 trillion with 228 and 16 projects respectively, so that the Regency City which is still relatively small in investment value is weak in absorbing labor, meaning that the more projects available will expand job opportunities.

Based on data from the Central Statistics Agency (BPS) until 2018, investment-oriented capital-intensive, not labor-intensive, this is proven by the realization of the largest investment in the electricity, gas and drinking water sectors with a value of IDR 5,013 billion, capable of absorbing 2,807 workers compared to mining labor-intensive investments. with an investment value of Rp. 1,146 billion, it is able to absorb 8,037 workers.

The realization of investment in the metal industry, metal goods, machinery and electronics with a value of 1,230 trillion is able to absorb 580 workers compared to the food industry with an investment value of 366 billion, which is able to absorb 1,112 workers, meaning that investment in south Sulawesi is more capital-intensive.

This is in line with research conducted by Setyawan (2008), additional investment entering Indonesia does not increase the number of job opportunities in Indonesia. Investments that enter Indonesia are only capital-intensive industries.

## **V. CONCLUSION AND RECOMMENDATION**

### **CONCLUSION**

1. Infrastructure expenditures directly have no effect on employment opportunities and indirectly have a positive effect on employment opportunities through economic growth investment.
2. Education expenditure directly does not affect employment opportunities and indirectly through economic growth investment.
3. Health spending directly has a positive effect on employment opportunities and indirectly through investment in economic growth.
4. Investment directly has no effect on employment opportunities but indirectly has a positive effect through economic growth.
5. Investment does not directly affect employment opportunities. 6. Economic growth does not directly affect employment opportunities.

### **RECOMMENDATION**

1. The government should try so that the investment climate for the labor-intensive sector is getting better and encouraging industries in the labor-intensive sector increasingly competitive so that investors are interested in investing in the labor-intensive sector and employment opportunities in the city district in South Sulawesi can be improved.
2. The government as a determinant of fiscal policy needs to consider the distribution of government expenditures in each city district in South Sulawesi. Based on previous data, government spending was still uneven almost city districts in South Sulawesi Province.
3. For further researchers are expected to use a longer period of time and use more specific variables. For example, the government expenditure needs to be more specific to the distribution of government expenses itself, which is examining direct or indirect spending on employment opportunities. The same thing on private investment needs to be examined more specifically how the influence of domestic investment or foreign investment on employment opportunities itself.
4. Expenditures of education and health in South Sulawesi Province are further enhanced by their realization every year to increase the average numbers of the school and life expectancy. In addition, an increase in education and health expenditure needs to be accompanied by an efficient and effective pattern of allocation so that the budget really works to improve educational and health indicators and in turn can contribute positively to increasing education and health

outcomes and in turn will have an impact on increasing Productivity on labor.

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