ECONOMIC TYPOLOGY BASED ON THE CALCULATION OF UNEMPLOYMENT INDEX AND POVERTY RATE IN THE TAPAL KUDA REGION EAST JAVA

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Abstract
The economic activity of the community is inherent in the study of the region, which will encourage the economic improvement process directly or indirectly. Fundamentally, the form of community welfare achieved through the size of production activities to meet their individual needs or the need for market demand as a labor force is absorbed in the job, receiving wages in response. Service for performance used in economic drivers so as to reduce the level of poverty. There is also a problem in the study that determines the interconnectedness of the Unemployment Index (IP) and poverty by mapping the economic typology so that it ultimately determines the form of government intervention on the trade-off conditions between the rigid wage and In the labour market and its relation to poverty in the residency area. Location of research of eastern Economic residency of Java Island or so-called East Java Tapal kuda area. Type of secondary research data. Conclusion is a strong linkage between IP and poverty level, the area is divided into 4 quadrants and dominated by a quadrant 1 or prime quadrant which IP with low value and low poverty. Unemployment affects the level of poverty integrated on labor income, so it becomes a determining factor of the flexible and rigid labour market to be at the level of community welfare.

Keywords: Unemployment; poverty; typology and tapal kuda

INTRODUCTION
Strengthening national development activities is conducted by directing to the welfare of the community at a low level, integrated integrity by advancing to the sustainable economy that is adjusted to the priorities of each region's needs with a fundamental focus of short and medium term problems, as an indicator is declining the level of poverty in the community and pressing the unemployment rate. Poverty according to the World Bank is a condition in which an individual or group has less income than the standard ratio of poverty that has been set by the World Bank at a rate of income of $2/day.

Based on BPS in March 2018, the number of poor people (population with per capita spending per month under the poverty line) in Indonesia reached 25.95 million people (9.82 percent), reduced by 633.2 thousand people compared to the conditions September 2017 that amounted to 26.58 million people (10.12 percent).
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**Figure 1. Number and percentage of poor population, 1999 – March 2018**

*Source: Processed Data. Susenas 2018*

In general, since 2002, the level of poverty in Indonesia has decreased, both from the number and percentage, except in 2006, September 2013, and March 2015. The increase in the number and percentage of poor people in this period is triggered by the increase in the price of staple goods as a result of rising oil fuel prices. The association appears in table 1 showing the percentage and number of poor people according to the island in March 2018. In the table it appears that the percentage of the largest poor population is in the region of Maluku and Papua Island, which is 21.20 percent, while the lowest percentage of poor people are on the island of Borneo, which is at 6.09 percent. In terms of number, the majority of the poor population still reside in Java Island (13.34 million people), while the lowest number of poor population is on the island of Kalimantan (0.98 million people).

**Table 1. Percentage and number of poor people by island, March 2018**

<table>
<thead>
<tr>
<th>Island</th>
<th>Percentage of poor people</th>
<th>Number of poor people</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Urban</td>
<td>Rural</td>
</tr>
<tr>
<td>Sumatera</td>
<td>8.6</td>
<td>11.66</td>
</tr>
<tr>
<td>Java</td>
<td>6.8</td>
<td>12.81</td>
</tr>
<tr>
<td>Bali and Nusa Tenggara</td>
<td>9.1</td>
<td>17.77</td>
</tr>
<tr>
<td>Kalimantan</td>
<td>4.3</td>
<td>7.6</td>
</tr>
<tr>
<td>Sulawesi</td>
<td>5.8</td>
<td>13.68</td>
</tr>
<tr>
<td>Maluku and Papua</td>
<td>5.0</td>
<td>29.15</td>
</tr>
<tr>
<td>Indonesia</td>
<td>7.0</td>
<td>13.2</td>
</tr>
</tbody>
</table>

*Source: Processed From the National Socio-Economic Survey (Susenas) in March 2018*
The level of poverty in certain regions becomes more interesting when the process occurs as a result of multiple economic effects directly or indirectly, different conditions when the level of poverty between regions has a difference in each Its territory even in rural and city areas. In percentage, the large number of poor people in the island of Maluku and Papua but in the number of poor people are in Java island, in this case simple thinking can be withdrawn some understanding of Java as the center of the economy, the turnover of money focused on the island of Java, but the welfare of the Java island occupies the last position of the island with the largest number of poor people among the other islands.

Theoretically, poverty reduction efforts require high quality economic growth. Quality economic growth can be achieved with the policy of expanding employment opportunities (reducing the unemployment rate) and maximizing the productivity of investments in various sectors of the economy. According to Neo classical theory, economic growth depends on the increase in the supply of production factors (population, labor, and capital accumulation) and the level of technological advancement. Capital formation resulted in the advancement of techniques that support the achievement of broad-scale production economy and improve the specialization. Capital formation provides machinery, tools and equipment for the increasing laborforce. But what has been the problem during this time is the paradox in the economic development of Indonesia, where the reality is happening in the midst of society.

Both central and regional governments have sought to implement poverty alleviation policies and programmes but are far from the subject matter. One program is based on the welfare of the community, suppress poverty through the opening of new jobs and attempt to communicate with the company through the company's bipartite and government forms of scenario carried out as an effort from the preparation of the method of absorption of labor
through first) increased capability and quality of human resources sought through the office related to involve the productive age society in Balai Latihan Kerja (BLK). Second) determination of organic and non organic labour for a company. Third) Determination of the welfare index number for each labor force to meet the needs of dependents in the families of workers. Fourth) establishing a pattern of determination in the UMR in each company in a particular region with the synergy between the government, company and trade unions for the determination of services and motivation in work.

The linkage between one and the other has a great expectation in the increase of community welfare, but when the government is wrong in the calculation, the government intervention is rigid and raises the amount of unemployment in a society that is not absorbed in the job field by not getting absorbed in the balance of the labor market. The following is an overview of the status anomaly of Indonesia Labour, August 2018 based on the official statistics No. 92/11/Th. XXI, 5 November 2018 open unemployment rate (TPT) according to the region.

**Figure 2. Open Unemployment Rate**

Based on figure 2 it appears to form the unemployment rate according to the highest area in 2017 with 5.50% of the city balance between 6.79% and village of 4.01%. Susceptible to conditions between February 2017 and August 2018, presenting between city and village conditions, where the city's unemployment rate is greater than the unemployment rate in the village, the village area focuses on the primary economic activity that will absorb large manpower, support the fundamental economic community and as a solid foundation for every phase of development.

The linkage between unemployment and poverty will build a framework of thinking how the pattern between unemployment affects the level of poverty, but based
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on the simple exposure of the tables and images provided Above, there is a difference in anomaly differences where the poverty rate is greater in rural areas, but the large amount of unemployment in urban areas makes the study in a certain area important, where each region has a Further linkages how the concept of the unemployment, forming a pattern of community welfare in a particular region. Based on the urgency of the interdependence of unemployment and the poor become anomaly in the logic of thinking as an effort to become concrete and tangible imagination through research with the title of economic typology based on the index calculation approach unemployment and poverty level in the East Java Tapal kuda region with a mapping measurement approach of economic typologies of location adjustment into 4 quadrants of the East Java Tapal kuda as an informative method of implementation to stakeholder needs one of the governments in the input of economic development through the balance of labor market and the suppression of poverty through the condition of improving community welfare.

In the review of the bibliography, emphasis occurs on some of the thought-measuring performance that focuses on the quality of the discussion in accordance with previous research, in which the study will divide into several major concepts beginning with The concept of unemployment, inflation and economic growth. Further, the form of suppression of the control function in the area related to the utilization of regional financial performance, through financial performance in the focus of the region that encourages economic growth, through regional activities, by encouraging regional power in of residency that will encourage control function in increasing growth

(Jonaidi, 2012) There is integrity between economic growth and poverty. The significant effect of economic growth in the suppression of poverty rate, especially in rural areas, is poverty pockets. The poverty rate affects economic growth. The form of increased access to capital, quality of non-physical investments
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in the form of education and health as an effort to increase life expectancy. Based on the findings, government policy is spur on economic growth through investments especially in primary sectors that absorb the amount of large capacity laborforce.

(Pramesthi, 2011) Other forms of unemployment have negative influence on economic growth variables it means that when high unemployment then economic growth will also be low. But economic growth is increasing along with increased inflation over production costs and high demand drive, by attracting simple conclusions of unemployment and inflation jointly impacting economic growth. So it can be said that unemployment and inflation are one of the causes of the value of locomotion in economic growth and one as an indicator in the economy of a country.

(Ni Luh Nana Putri Ani, 2014) The interconnectedness of financial performance of unemployment, effectiveness ratios, efficiency ratios, and revenue growth have no significant effect on unemployment, while between financial performance and poverty shows that self-reliance ratios are significantly positive against poverty, and the ratio of effectiveness, efficiency ratio, and revenue growth has no significant effect on poverty, by concluding a compelling drag of direct or indirect causes in the effects of poverty and unemployment. In a sense that is quite simple that in the context of large unemployment is influenced by the form of independence, the capture of the effectiveness and efficiency of the state in managing the finances. (Soejono, Supriono, & Ridjal, 2011) The form of residency location to strengthen in the process of monitoring and evaluation, such as the tapal kuda area as an alternative makes it easier in the policy model that is more agrasif, effective and efficient as a unity of the region has regional autonomy As a spatial integrated area where as a driving or nodal area in constructive policy planning.

(Dwi Puspa Hambarsari, 2016) The research aims to determinate the number of poverty in
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East Java, the variables used include economic conditions, population growth and the level of overall commodity prices or inflation. With the use of 2004-2014 time series data, the approach of multiple linear regression analysis is obtained by conclusions, economic growth variables negatively and significantly affect the level of poverty subsequent growth has no effect on poverty change.

The form of similarity with the previous researcher focuses on the concept of labor that is absorbed in the labor market and unemployment and poverty level over cause and effect. While the differentiator of research is on the focus of the discussion where researchers previously discussed factors that determine the level of poverty, unemployment and the absorption and study of residency in strengthening the economic community, in this research focuses on the linkage between unemployment, labour and poverty by grouping based on the region of the area of the goods and services of the tapal kuda area presented in the grouping of typologies of the forces of a variation on theory and contextual understanding will emerge as a differentiator that is so evident.

The interconnectedness is compiled with a simple explanation above to build the analogy pattern of thinking structured with several explanations through condition data and poverty in certain regions by comparing between locations in Indonesian. So this research focuses on 1) measurement of the unemployment index. 2) To build linkages over the calculation of Pengangguraan and poverty indices through the mapping of economic typology. 3) Determine the form of government intervention in the solution of stiffness in the labor market and its relation to poverty in the residency area. The purpose and usefulness of the research refers to the momentum of the indication of the absorption of labor with poverty level, for interactions in a particular region. During this time the growing theory of poverty only discusses the level of poverty and its influence on the economy and the cause of poverty is unemployment, but in this study, the
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author was brought to a different situation which are the writer abandon The concept of unemployment is the cause of poverty, and mapping how poverty and unemployment interacted in the eastern area of East Java as the economic driving area in Java Island with a large number of poor people and Job seekers are scattered in the region.

According to Kusumosuwidho (Subri,2003) being a common problem in the field of labour force is an imbalance between demand for labor and supply of labor, at a wage rate. Such imbalance can be:

1. Greater supply than demand for labor (excess supply of labor).
2. Greater demand than labor offerings (excess demand for labor).

**Figure 3. Demand Imbalance Curve and Labor Offer**

Source: Subri, 2003

Description :

| SL  | : Supply of labor |
| DL  | : Demand for labor |
| W   | : Real wages |
| N   | : Number of labor |

There are two important theories that need to be expressed in relation to employment problems.

First is the Lewis theory in (Subri, 2003) which suggests that the excess of workers is an opportunity and not a problem connecting to the theory of modern occupation of Fisiokrat view of the opportunity arises over the magnitude of the population that is the potential labor that will occupy the position of labor demand and the public will choose in a reasonable order for the sake of achieving a more decent achievement of living standards. The excess of workers in one sector will give you to the growth of output and the provision of workers in other sectors. Economic sector activities will lead to the use of micro-production factors to form the balance of the labour market leading to macro adjustments.

Second is the theory of Fei-Ranis in (Subri, 2003) relating to
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developing countries that have the following traits:

1. Excess Labor
2. Natural resources can not be processed
3. Most of the population engaged in the agricultural sector
4. Much unemployment
5. High population growth rate

Furthermore, according to Fei-Ranis, there are three stages of economic development in excess labour conditions:

a. Where pseudo-unemployed (which does not add agricultural output) is transferred to the industry sector with the same institutional wages.

b. The stage by which agricultural workers add output but produce smaller than the institutional wages they acquire transferred to the industrial sector.

c. The stage marked the beginning of self-sufficiency during agricultural workers resulted in greater output than the acquisition of institutional wages. And in this case excess workers are absorbed into the service sector and the industry is increasing continuously in line with the increase of output and expansion of its business.

The linkage between poverty and labor is seen through a concept developed according to Lincolin (Dwi Puspa Hambarsari, 2016) there are two conditions of society that make up a poverty trap, in terms of demand, where in developing countries this condition often happens a condition in countries that are poor to invest in capital is very low, where market availability for various types of combinations will experience limitations caused community output capability is limited in fulfilling the income above the necessities of life and large family dependents so that the capital capability is trapped over the short term accumulated conditions of the past impactful impact in the creation of capital will reduced.

In terms of offering (supply) where the low level of public income resulting from the productivity level will be the creation of the output in low economic activities, causing the
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Community's ability to save low, needs will be focused on the fulfillment of short-term consumption, low saving rates in the long-term need for limited capital, so that future investments are subjected to significant reductions. When these conditions are examined on an aggregate basis, the economic movements will slow down in line with the low income process but basic short-term and long life needs are not comparable to the income process.

RESEARCH METHODS

The form of research is descriptive with the quantitative approach of research that sees phenomenology using secondary data where the data form a documentation report on poverty level, and data on unemployment calculations as well as force data work as a form of mapping approach according to research location. This research draft will be useful in answering the formulation of problems in research with outputs or research objectives to be achieved well.

(Bungin, 2005) In this research the authors use a quantitatively descriptive approach aimed at explaining, describing a condition, various situations, or various variables arising in the community being a research object based on the situation happen. Then lift to the surface of the character or a picture of the condition, situation, or variable. With an inductive statistical approach to research patterns of case studies and surveys, it features a surface spread, explorative and plays an important role in the hypothesis that occurs in the research object.

The form of data analysis done by forming the logic of the thinking through mapping the economic typology based on the calculation of unemployment index and poverty in answering the conditions on the research site where the tapal kuda itself is the economic nodal area at the eastern end of the island of Java by forming a tapal kuda like area or forming a pattern of U. Which can be expressed as a form of distribution of goods and services of human mobility as a driving engine the population and the samples in this study. Furthermore, the understanding of reinforcement in the location of the gate of goods and
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services as the priority of economic acceleration through the industry or employment that later have double effect so as to absorb labor, suppress unemployment, so people earn income and the end of the pendulum will lead to the suppression of poverty in hopes of community welfare according to the ideals of the nation.

Research pattern by measuring the unemployment index with the following acquisition:

$$IP = \frac{\text{Job Seeker}}{\text{Laborforce}} \times 100\%$$

*Source: Processed Data.2018*

The approach of the indicator approaches from unemployment index achievement is less than 4%, in the sense when results of calculations less than 4% of the value of calculated results, can be said the amount of unemployment is able to be well tolerated. However, when the results of the unemployment index calculated more than 4%, it can be said a bad index figure or a comparison of job seekers and labor force.

In the area typology discussion will be divided into 4 areas, where the area:

**Quadrant I:** Areas with low poverty and low unemployment rate

**Quadrant II:** Territories with low poverty and high unemployment rate

**Quadrant III:** Areas of high poverty and low unemployment

**Quadrant IV:** Areas with high poverty and high unemployment rate

**RESULT AND DISCUS**

**Poverty of the tapal kuda economic area**

Narrative linkage between the number of job seekers and labor force is so thick with the composition of the number of poor people of East Java Tapal kuda, when the number of poor people increased not only the home task for the government, institutions in the specific regional, But being a common task, society is not only an object for development that is responsible for the value of prosperity but as the perpetrator and the subject on the composition of poor people. Based on the data processing in descriptive by looking at the characteristics of the number of poor people in a linear sense of labor with the condition of labor wages during admission in the field of labor market, the number of poor people In the East Java
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Tapal kuda area in 2018 can be described as follows:

**Figure 4. Characteristics of the poor East Java Tapal kuda Area**

The strong interconnectedness between characteristics of the productive age population with the absorption of manpower is quite high. Jember regency with the level of the first high population of poor, as well as the high level of job seekers followed by the productive age in the multitafsir, can be interpreted as one of the causes is the area located in residency The East Java Tapal kuda as an accommodation path of residents' goods and services is incapable of absorbing economic activity as a result of the economic potential sector, limited to only the lines of goods and services but not as a direct positive-impacted location residency economic activities.

Different things with Probolinggo district in terms of the number of poor people in the residency area occupies the second highest position but on the number of job seekers and labour force relatively low, in relation to the economic activities of the community be one of the causes of the number of poor people.

In addition the amount of unemployment is still one of the points in development, in the course of time reveals the unemployment amount of 2017 reaches 17,102 people or rises by 13.06 percent in the course of time 2015 and 2016. This makes the TPT in Probolinggo Regency rise to

**Unemployment Index of The Tapal kuda Economic Area**

The unemployment index is a form of comparison between job seekers and labour force, this form of association as a form of consequence received in a particular location with the good and bad emphasis of an area, the form of anomaly appearing When the unemployment amount is reviewed from the job seeker is more dominant, the unemployment index of the tapal kuda area is displayed in the following
Economic typology based on the calculation of unemployment index and poverty rate in the tapal kuda region East Java ................................................................. (Sulistyono)

Table 2. Unemployment Index Calculation of The Tapal kuda Economic

<table>
<thead>
<tr>
<th>No</th>
<th>Kab/Kota</th>
<th>A/Job Seeker</th>
<th>B/Laborforce</th>
<th>A/B</th>
<th>IP</th>
<th>Description</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>Pasuruan Kabupaten</td>
<td>40,759</td>
<td>819,322</td>
<td>4.97</td>
<td>Bad</td>
<td></td>
</tr>
<tr>
<td>2</td>
<td>Pasuruan Kota Kabupaten</td>
<td>4,620</td>
<td>99,493</td>
<td>4.64</td>
<td>Bad</td>
<td></td>
</tr>
<tr>
<td>3</td>
<td>Banyuwangi Kabupaten</td>
<td>27,840</td>
<td>906,735</td>
<td>3.07</td>
<td>Good</td>
<td></td>
</tr>
<tr>
<td>4</td>
<td>Kabupaten Bondowoso</td>
<td>9,286</td>
<td>444,332</td>
<td>2.09</td>
<td>Good</td>
<td></td>
</tr>
<tr>
<td>5</td>
<td>Kabupaten Jember Kabupaten</td>
<td>66,112</td>
<td>1,281,242</td>
<td>5.16</td>
<td>Bad</td>
<td></td>
</tr>
<tr>
<td>6</td>
<td>Kabupaten Banyuwangi Kabupaten</td>
<td>14,986</td>
<td>515,516</td>
<td>2.91</td>
<td>Good</td>
<td></td>
</tr>
<tr>
<td>7</td>
<td>Kota Probolinggo Kabupaten</td>
<td>4,066</td>
<td>118,848</td>
<td>3.42</td>
<td>Bad</td>
<td></td>
</tr>
<tr>
<td>8</td>
<td>Kabupaten Probolinggo Kabupaten</td>
<td>13,183</td>
<td>359,240</td>
<td>3.67</td>
<td>Bad</td>
<td></td>
</tr>
<tr>
<td>9</td>
<td>Kabupaten Situbondo Kabupaten</td>
<td>5,723</td>
<td>383,017</td>
<td>1.49</td>
<td>Good</td>
<td></td>
</tr>
</tbody>
</table>

Source: Processed, 2018

Based on the table above, it states the form of a diversity of conditions based on the worst area unemployment index in the unemployment index in Jember district, from a total of 9 tapal kuda regions, towns and counties 5 of the 9 bad condition areas. Along with the calculation results the amount of poverty can be influenced by the amount of unemployment. Poverty is a condition where household income is too low to be able to buy the amount of food, shelter, and clothing deemed necessary, with certain conditions of primary need far from the reach of the community. The relationship between poverty and unemployment stems from the theory of poverty circles from Nurkse.

(Shuai, Cheng, Tao, Shuai, & Wang, 2019) The poverty cycle is a series of strengths that influence each other in a situation where a country will remain poor and will suffer much difficulty to achieve a better level of development. The retardation and alienation of human resources (reflected by the low level of education), market imperfections, and lack of capital led to low productivity. Low productivity results in the low income they receive. Low income will have implications on low savings and investments. Other understanding revealed that the role of spatial is not not as the main thing but the form of labor market discrimination and form of skill is the reason of the vulnerability in the amount of unemployment.

(Gobillon & Selod, 2014) Explaining the form of some relation between location or spatial with non-spatial factors, more in-depth location is one of the causes of unemployment.
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but there are other factors that play a role in the context of unemployment amount in the labor market discrimination, the bias of the skills owned by a person, and the most important in relation to the policy that will have a direct impact on the short-term unemployment. The form of location-based policy is insufficient in resolving the unemployment problem so that it becomes a challenge to determine the appropriate intervention of partial unemployment problem solving. From the explanation of the unemployment index in certain locations will have an impact on drafting the policy based on location by referring to the economic activities of the community and as a result of the consequences of labor market discrimination.

**Economic typology of poverty level and unemployment index the tapal kuda area**

The use of economic typology approaches is a form of territorial grouping not only spatially, but see from other values that will describe the four-dimensional linkages between the calculation of unemployment and poverty index figures, so that in the residency area which is the flow of goods and services became the focus of the location of the study of typology based on the following dimensions.

**Table 3. Results of The Economic Typology of Poverty and Unemployment**

<table>
<thead>
<tr>
<th>Index Calculations</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>IP Count Results</strong></td>
</tr>
<tr>
<td></td>
</tr>
<tr>
<td>Low Unemployment Index</td>
</tr>
<tr>
<td></td>
</tr>
<tr>
<td>High Unemployment Index</td>
</tr>
<tr>
<td></td>
</tr>
</tbody>
</table>

*Source: Processed, 2018*

The typology form will divide into four sections where the quadrant I related to the tapal kuda area has superior characteristics with low unemployment index rates and low poverty, in which case it can be said the area is able to absorb labor or job seekers at large capacity areas include Banyuwangi Regency, Bondowoso Regency, Lumajang Regency, Situbondo regency. A superior or prime area with an area that is able to
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absorb large capacity labor, so that the community has a level of wages and far from the poverty rate.

While the quadrant area II potential characteristics with high unemployment index and low poverty with the and Pasuruan City and city of Probolinggo, in the sense of the area has a low labor absorption rate but communities are capable of consumption at a time of zero income, public income is used as a small economic activity, so that on income at a certain level the community is able to fulfill the needs of its life and is linear able to suppress the amount of poverty in the region so that the quadrant form of potentiation is potential to be developed leading to the quadrant I, by opening up the job opportunity to the fullest. As for the tapal kuda region for quadrant III there is no contact between the low unemployment index and the high poverty, as for quadrant IV of the area with high unemployment and the high poverty of Pasuruan regency, Jember and Probolinggo districts are said to be areas with backwardness where labor absorption is not able to focus in the region, so that people do not receive wages at certain value impact on the level of poverty the high.

**Related problems flexibility of labour market with poverty rate in the tapal kuda area**

The linkage between the flexibility and the constraints of the labour market will lead to the policy taken by the Government in the tapal kuda region, where through the division of the dimensions of the typology between the unemployment index and the poverty rate Symbiotic symbiotically.

Labor market is rigid will bring its own positive value in which the improvement of labor welfare measured through wage rate is rigid, but will bring impact to labor absorption, especially job field or industry, By making the job opportunities for wages to be paid by the industry, the government-imposed wage rules and social security make for a substantial cost for the company for the protection of additional costs received through wages.

The labor market is flexible will lead to the opening of
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employment opportunities in the company but with a low income level in receiving workers, social security and minimum wage as a tolerance limit without assessing the form of welfare, So that workers receive small amounts.

The application of flexible and rigid labor market becomes a choice over the conditions in which the wages received will be used by workers in fulfilling the needs of life, when in accordance with the minimum wage applied welfare government is achieved but not for the company by receiving a high labor burden, various kinds of government efforts combined with the condition of the next labor force received by the company through the association of workers to be very necessary in the clause absorption of labor that comes at the level of community welfare in a particular location which is the economic area of the tapal kuda that can be described:

**welfare achievement**

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**Figure 5. Map of linkages between rigid and flexible labour market in welfare achievement**

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Source: Processed, 2018

**CONCLUSION**

The linkage between the laborforce absorbed in the field of employment and unemployment has an impact on the achievement of income gains in each individual community. Gross domestic product is not one of the indicators in the economic growth of other benchmarks including the number of population, unemployment and labor and the level of poverty. Unemployment refers to communities that are not absorbed in the labour market that are capable of being portrayed through unemployment index, and in this research the unemployment indices relate to the number of poor people in the tapal kuda area which is the East
Java's economic residency. Based on findings, the tapal kuda area is located in the superior quadrant which is the basis for economic activity due to the amount of high labor absorption or high economic activity and it comes down to high welfare through the level indicator poverty is low, so dominance occurs in the district or city in the tapal kuda. While a potential area quadrant leads to areas with high elevation indices but low poverty, the region has the potential to be aimed at a superior or prime area with a form of efforts to increase community economic activity. Furthermore, tapal kuda based on research findings is not included in the developing area but GAP is formed when several regencies and cities in the tapal kuda area enter the backward region is a region with high unemployment index and high poverty is inversely proportional to the domination in the superior quadrant, the final conclusion of the entire tapal kuda area has the potential to lead to the suppression of the unemployment index and poverty level with the rigid labour market trade-off scheme or flexible. The form of policy implementation for the government to increase welfare in targeting in the suppression of unemployment, increased employment opportunities are followed by an increase in the non-physical investments in this regard to education and health, through social security so that people receive a certain amount of income and impact on improving the quality of welfare and suppress the amount of poverty.

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