

THE INFLUENCE OF GRDP PER CAPITA, PMTB, EMPLOYMENT STATUS AND INCOME DISTRIBUTION ON COMMUNITY WELFARE IN DISTRICTS/CITIES OF BALI PROVINCE

Ni Luh Gede Ayu Sri Mahayoni ^{*1}

Development Economics, Udayana University
mahayonisriayu@gmail.com

I Gusti Wayan Murjana Yasa

Development Economics, Udayana University

ABSTRACT

The aim of this research is to analyze GRDP per capita, PMTB, employment status, and income distribution on community welfare in the District/City of Bali Province. This research uses secondary data with a quantitative approach, this research uses 72 data. Data analysis techniques use descriptive statistical analysis and multiple linear regression analysis. The results of this research show 1) GRDP per capita, PMTB, Employment Status, and Income Distribution simultaneously have a positive and significant effect on Community Welfare in the Regency/City of Bali Province, 2) GRDP Per Capita, PMTB, and Employment Status partially have a positive and significant effect on Community Welfare in the Regency/City of Bali Province, 3) Income Distribution partially has a negative and insignificant effect on Community Welfare in the Regency/City of Bali Province. The results of this research are expected to be able to provide an overview that can be used as consideration for the government so that the resulting policy is able to provide positive impact on the community in the Regency/City of Bali Province.

Keywords : *GGDP per capita, PMTB, employment status, income distribution, and community welfare.*

INTRODUCTION

Based on BPS data from Bali Province, the Regency/City that has the highest GDP per capita is Badung Regency at 58 134.63 thousand rupiah in 2022, while the Regency that has the lowest GDP Per Capita is Bangli Regency at 16 559.30 thousand rupiah in 2015. This can occur due to differences in income between districts/cities in Bali Province which can cause income inequality in districts/cities in Bali Province.

The greater the income gap, the greater the variation in income. Inequality in income distribution will cause disparatism between regions. This cannot be avoided because there is a trickle-down effect of national output on the majority community which does not occur perfectly. According to (Todaro, 2004, inWisdom, 2021:2) inequality has both positive and negative impacts. The positive impact of inequality is that it can encourage other less developed regions to be able to compete and increase their growth. Meanwhile, the negative impact of inequality is economic inefficiency

¹ Correspondence author

and weakening social stability and solidarity. So inequality becomes a challenge in development that must be faced because it can make it difficult to implement economic development based on equality. If income distribution is perfectly equal (absolute) then every resident receives the same amount of income. According to Sinaga, (2020) the Gini ratio can indicate the level of inequality in income distribution in a region. A lower Gini value indicates a higher level of participation. Therefore, income distribution can be measured through the Gini index or Gini ratio.

Based on data obtained from the Bali Province Central Statistics Agency, the district with the highest Gini ratio is Klungkung Regency, amounting to 0.3915 percent in 2018, while the district with the lowest Gini ratio, namely 0.2682 in 2017, is Gianyar Regency. If the Gini ratio in an area is high, it indicates that the distribution of income in that area is very unequal and the distance between the rich and the poor is very large. Therefore, efforts need to be made to overcome the problem of inequality, one of which is by identifying the factors that influence the Gini ratio.

Basically, development aims to create welfare for the community in the region by carrying out high and sustainable economic development. The success of development carried out by the government can be reflected in the condition of society in terms of GDP per capita, Gross Fixed Capital Formation (PMTB), and welfare which can be measured using the Human Development Index (HDI). Human development is a main concept for improving community welfare (Hokum, 2014 in Primandani and Yasa, 2019).

Community welfare shows a measure of the results of community development in achieving a better life which includes: i), increasing capabilities and equal distribution of basic needs, ii), increasing living standards, income levels, good education, and increasing attention to culture and human values, iii), expanding economic scale and the availability of social choices of individuals and nations. Welfare has many dimensions that can be seen from the material and non-material dimensions. From a material perspective, it can be measured using the income and consumption approach (Hokum, 2014 in Pratiwi and Indrajaya, 2019).

Community welfare is one of the goals of sustainable development goals (SDGs), which is a reflection of the success of development carried out by the government, measured using the human development index (HDI). Bali's HDI as a whole continues to increase, but the large difference in human development index (HDI) figures between districts/cities in Bali Province is an important problem that needs to be addressed (Nina and Rustariyuni, 2018 in Wiriana and Kartika, 2020).

The development in question is the development of access that supports the development and progress of Indonesian human resources, especially for the younger generation. This needs to be paid attention to because this human development program must be further improved in areas where community welfare is still lacking.

Human development is the foundation for the country to create a prosperous and just society for all people without exception, with good and noble character.

The level of human development can also influence the population's ability to manage various resources to encourage economic growth. Human development goals as reflected in the Human Development Index (HDI) are very dependent on the government as a provider of supporting facilities. The government's role as a policy maker is needed to provide opportunities for the community to improve the quality of life through community involvement in development.

HDI calculations are considered important for measuring success in efforts to build the quality of human life and can determine the development ranking of a region based on components that support increasing HDI. This is because HR has an important role as an agent of change. If the quality of HR is good, it is hoped that it can bring change to an area for the better. Apart from that, Bali Province is ranked 5th with the highest HDI in Indonesia, even though there is still disparatism between regencies/cities in Bali Province, therefore the Regency/City governments in Bali Province are trying to continue to carry out equitable development of facilities and infrastructure that can help to optimize the role of the community in improving welfare in the Regency/City of Bali province.

The highest district/city HDI is Denpasar City, from year to year the HDI achievement is in the range of 82.24 points to 84.37 points, still above the achievement of Bali Province, in contrast to Karangasem Regency which is still in the range of 64.68 points to 68.28 points. which is under the Province of Bali. The difference in HDI results from the districts/cities shows that there is disparatism between districts/cities in Bali Province, namely in 4 districts/cities, namely Denpasar, Badung, Gianyar and Tabanan which have greater points than Bali Province points, when compared with 5 districts. /cities namely Jembrana, Klungkug, Bangli, Karangasem and Buleleng which have fewer points than the points of Bali Province. This can happen because there is an income gap which can cause unequal development. Unequal development in a region is caused by several factors, namely geographical differences, differences in the quality of human resources, ineffective allocation of government spending and inadequate regional development strategies. In fact, inequality cannot be eliminated from the development of a region because the main regional sectors only focus on certain areas.

GDP per capita can be used as an indicator to see the success of economic development in a region. The higher the GDP per capita of a region, the greater the potential source of revenue for that region because the greater the income of the people of that region (Thamrin, 2001 in Hartini 2017). Therefore, the higher the GDP per capita, the more prosperous the population of a region. In other words, if income is high and evenly distributed between regions, income inequality will decrease. Another factor that can influence GRDP is investment. Harrod - Domar's theory

regarding saving & investment explains that investment activities are an important factor that has two roles at once in the economy. i), investment has a positive relationship with regional/state income, and ii), investment can expand economic production capacity, by increasing capital stock. In theory, Harrod-Domar emphasizes the importance of setting aside a portion of regional/state income to finance and repair damaged goods.

Capital formation is an important indicator for assessing economic growth potential. For policy making at the state level and balanced regional development, in other words PMTB has a more important role for development in a region. The development of investment in Bali can be seen in physical investment, gross fixed capital formation. PMTB data is one of the strategic data as a basis for determining government policy. If PMTB is high, there will be an increase in production capacity and sustainable economic growth. Apart from that, the meaning itself of PMTB is a policy of a government which aims to encourage investment and job creation through foreign investment and placement of foreign workers, with the right efforts from the government, PMTB can be an effective tool for increasing investment, creating employment opportunities, and technology transfer which can increase society's income as a whole and ultimately improve society's welfare.

Apart from GRDP per capita, PMTB, and income distribution, employment status can also influence people's welfare. Employment status refers to the type of work and condition of a person, the size of a person's income can be influenced by the status of the job he or she currently holds. In reality, the formal sector is not able to absorb the increasing workforce, but the formal sector also creates jobs for workers and its role is also important in absorbing the workforce. Based on work status, it can be classified into 2 types, namely formal and informal work. In this research, formal employment status is used as a research indicator. Formal jobs usually tend to earn stable wages which can increase individual and family income which in turn can contribute to improving welfare. Formal worker status usually refers to work that meets the requirements set by labor regulations in a region or country. Formal workers usually have an employment relationship regulated by an employment contract, and are provided with legal protection and clear employment rights.

Based on the background above, this research aims to analyze the influence of GDP per capita, investment, employment status and income distribution on community welfare in the districts/cities of Bali Province.

RESEARCH METHODS

Research design is a plan for research that will be carried out with the aim of conducting research so that there is logic, both in testing hypotheses and in drawing conclusions (Sugiyono, 2016). This study uses a quantitative approach. A quantitative approach is a research method used to examine a particular population or sample with

the aim of testing a predetermined hypothesis. Based on its characteristics, this research is included in associative research, namely research that aims to determine the influence or relationship between two or more variables. In this research, associative research is used to analyze the influence of GRDP per capita, PMTB, employment status, and income distribution on community welfare in the districts/cities of Bali Province.

RESULTS AND DISCUSSION

Results of Analysis of Research

The results of data analysis in this research are the results of descriptive statistical analysis, the results of multiple linear analysis, the results of the classical assumption test, coefficient of determination analysis, simultaneous influence test (F-test) and partial test (t-test).

Results of Descriptive Statistical Analysis

The variables in this research are GDP per capita, investment, employment status, income distribution and community welfare. The descriptive statistics of the research variables can be seen in the following table.

Table 1. Results of Descriptive Statistical Analysis
Descriptive Statistics

	N	Minimum	Maximum	Mean	Std. Deviation
Public welfare	72	64.68	85.13	73.7767	5.38797
GRDP Per Capita	72	14.12	15.58	14.9067	.31022
PMTB	72	16.70	21.16	19.7171	.87618
Job status	72	26.26	75.24	43.8607	13.39921
Income Distribution	72	.27	.39	.3253	.02837
Valid N (listwise)	72				

source: Processed Secondary Data, 2024

Based on table 1, the amount of data used in this research is 72 data. The GDP Per Capita variable (X1) has a minimum value of 14.12 percent, namely Bangli Regency and the district that has a maximum value of 15.58 percent is Badung Regency. The average value of GDP per capita is 14.9067, with a standard deviation of 0.31022. The PMTB variable (X2) has a minimum value of 16.70 percent, namely Bangli Regency and the district that has a maximum value of 21.16 percent is Badung Regency. The average PMTB value is 19.7171, with a standard deviation of 0.87618. The Employment Status variable (X3) has a minimum value of 26.26 percent and the district/city that has a maximum value of 75.24 percent is Denpasar City. The average value of employment

status is 43.86 percent, the standard deviation is 13.39921. The income distribution variable (X4) has a minimum value of 0.27 percent and the district that has a maximum value of 0.39 percent is Klungkung Regency. The average value of income distribution is 0.32 percent, the standard deviation is 0.02837. The community welfare variable (Y) has a minimum value of 64.68 percent and the district that has a maximum value of 85.13 percent is Denpasar City. The average value of income distribution is 37.77 percent, the standard deviation is 5.38707 points.

Multiple Linear Analysis Results

Multiple linear regression analysis is an analysis used to determine the influence of independent variables, namely GDP per capita, PMTB, employment status and income distribution on the dependent variable, namely community welfare. From the results of the data analysis carried out, results were obtained as below in table 2.

Table 2. Results of Regression Analysis on the Effect of Per Capita GRDP, Gross Fixed Capital Formation (PMTB), Employment Status, and Income Distribution on Community Welfare in Regencies/Cities of Bali Province.

		Coefficients ^a				
		Unstandardized Coefficients		Standardized Coefficients		
Model		B	Std. Error	Beta	t	Sig.
1	(Constant)	-13,258	17,060		-.777	,440
	GRDP Per Capita	3,075	1,498	,171	2,053	,044
	PMTB	1,630	,567	,263	2,873	,005
	Job status	,230	,030	,567	7,555	,000
	Income Distribution	-2,725	8,736	-.014	-.312	,756

a. Dependent Variable: Community Welfare

Source: Secondary data Processed, 2024

Based on the results of the regression analysis in table 2, the multiple linear regression equation is obtained, namely:

$$Y = -13.258 + 3.075 \text{ LN_X1} + 1.630 \text{ LN_X2} + 0.230 \text{ X3} + -2.725 \text{ X4} + e1 \dots \dots \dots (4.1)$$

$$t = (-0.777)(2.053)(2.873)(7.555)(-0.312)$$

$$Sb = (0.171)(0.263)(0.567)(-0.014)$$

$$\text{Sig. } t = (0.440)(0.044)(0.005)(0.000)(0.756)$$

$$F = 115.956$$

$$\text{Sig. } F = (0.000)$$

$$R^2 = 0.874$$

Classic Assumption Test Results

Multiple linear regression analysis requires several requirements that must be met, namely the classical assumption test. The classical assumption test consists of a normality test, multicollinearity test, and heteroscedasticity test, these tests can be seen below, namely as follows:

1) Normality test

Based on the normality test results on the Npar Test, it shows that the normality test results using the One-Sample Kolmogorov-Smirnov method with an Asym.Sig (2-tailed) value are 0.200. So it can be assumed that the data used in the regression equation is normally distributed data, this can be seen from the significance value of $0.200 > 0.05$ (5%), so the data in this study can be declared normal.

2) Multicollinearity Test

There is no independent variable that has a tolerance value < 0.10 and the VIF coefficient value of X1, X2, X3, and X4 is less than 10, so the VIF coefficient value of variable 10), X3 is 2.859 ($2.859 < 10$), and X4 is 1.083 ($1.083 < 10$). Therefore, it can be concluded that the regression equation in this study is free from multicollinearity problems.

3) Heteriscedasticity Test Results

The results of the heteroscedasticity test have a significance value for the absolute residual independent variables of the four variables above which is greater than alpha (α) 5% (0.05). So that

It can be concluded that in this regression model there are no symptoms of heteroscedasticity.

Analysis of the Coefficient of Determination

The coefficient of determination (R^2) value is how much variation in the dependent variable can be explained by the independent variable. In this research, the coefficient of determination (R^2) can be seen in the table below.

Table 3. Results of Coefficient of Determination Analysis
Model Summary

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	.935a	.874	.866	1.984348494

a. Predictors: (Constant), PMTB, Income Distribution, Employment Status, GRDP Per Capita

Based on table 3, the R square figure is 0.874. So this figure indicates that 87 percent of the variations or changes in welfare variables can be explained by the variables GDP per capita, gross fixed capital formation (PMTB), employment status, and income distribution. Apart from that, the remaining 13 percent is influenced by other factors that are not included in the model. . The R number of 0.935 shows that the relationship between community welfare and GDP per capita, gross fixed capital formation (PMTB), employment status and income distribution is very strong.

Simultaneous Effect Test (F-Test)

The simultaneous test (F-test) is carried out to test whether or not there is an influence of the independent variables simultaneously on the dependent variable. Simultaneous testing was carried out with the aim of determining the existence of a linear relationship between the independent variables, namely GDP Per Capita (X1), PMTB (X2), Employment Status (X3), and Income Distribution (X4) with the dependent variable, namely Community Welfare (Y). The stages for carrying out the F-test are:

1) Hypothesis Formulation

Ho: $\beta_1 = \beta_2 = \beta_3 = \beta_4 = 0$, meaning that GRDP per capita, PMTB, employment status, and income distribution simultaneously have no effect on the welfare of the people in the Regency/City of Bali Province.

H1: at least one of $\beta_i \neq 0$, meaning that GRDP per capita, PMTB, employment status, and income distribution simultaneously influence the welfare of society in the Regency/City of Bali Province.

2) Real Level

The real level used is $(\alpha) = 0.05$ and degrees of freedom $df = (k-1)(nk)$ to determine the Ftable value, then $F_{table} = F(\alpha)(k-1)(nk)$. So Ftable with $df = (5-1)(72-4)$ which is 2,740.

3) Test criteria

If $F_{count} \leq 2.740$ or the significance value of $F_{count} > \alpha$ then Ho is accepted

If $F_{count} > 2.740$ or the significance value of $F_{count} \leq \alpha$ then Ho is rejected

4) Calculating the F Value Calculate

$$F = \frac{\frac{R^2}{K-1}}{1 - \frac{R^2}{n-k}} \dots \dots \dots (4.2)$$

Note:

F = calculated F value

R2 = coefficient of determination

N = number of observation data

K = number of independent variables in the regression model

Table 4. Simultaneous Effect Test Results (F-Test)
ANOVA^a

Model		Sum of Squares	Df	Mean Square	F	Sig.
1	Regression	1826,373	4	456,593	115,956	,000b
	Residual	263,822	67	3,938		
	Total	2090.195	71			

a. Dependent Variable: Community Welfare

b. Predictors: (Constant),LN_PMTB, Income Distribution,Employment Status, LN_GRDP Per Capita

Source: Secondary Data Processed, 2024

Based on table 4, the results of the model feasibility test show that the F-test value in the sig table is (0.000). So based on decision making in the F test with a sig value (0.000) < 0.05, it can be concluded that there is an influence of the independent variables simultaneously (together) on the dependent variable. Therefore H₁ is accepted

Partial Influence Test (t-test)

The partial test (t-test) was carried out to determine the significant level of influence of each independent variable, namely the GRDP per capita, PMTB, employment status and income distribution variables on the dependent variable, namely the partial community welfare variable. The results of the partial testing in this research can be seen in table 5 as below.

Table 5. Results of Partial Influence (t-test)
Coefficients^a

		Unstandardized Coefficients		Standardized Coefficients		
Model		B	Std. Error	Beta	t	Sig.
1	(Constant)	-13,258	17,060		-.777	,440
	LN_GRDP Per Capita	3,075	1,498	,171	2,053	,044
	LN_PMTB	1,630	,567	,263	2,873	,005
	Job status	,230	,030	,567	7,555	,000
	Income	-2,725	8,736	-.014	-.312	,756

Distribution

a. Dependent Variable: Community Welfare

Source: *Secondary Data Processed, 2024*

- 1) The influence of GDP per capita (X_1) on community welfare (Y) in the districts/cities of Bali Province.

(1) Hypothesis Formulation

$H_0: \beta_1 = 0$, meaning that the GDP per capita variable partially does not have a positive effect on the welfare of the people in districts/cities in Bali Province.

$H_1: \beta_1 > 0$, meaning that the GDP per capita variable partially has a positive effect on the welfare of the people in the Regency/City of Bali Province.

(2) Real Level

Real level (α) = 0.05 and degree of freedom $df = (nk)$ to determine the value. So $df = (72-4) = 68$. Then $t_{table} = 1.667$

(3) Testing Criteria

If $t_{count} \leq 1.667$ or the significance value of $t_{count} > \alpha$ then H_0 is accepted

If $t_{count} > 1.667$ or the significance value of $t_{count} \leq \alpha$ then H_1 is rejected

(4) Calculate the t-test statistical value

$$t_1 = \frac{b_1 - \beta_1}{sb_1} \dots \dots \dots (4.3)$$

note:

t_1 = t count

b_1 = partial regression coefficient of the GDP per capita variable

sb_1 = standard error

β_1 = hypothesis value

(5) Conclusion

Based on table 5, the results of the t statistical test for variable positive and significant for community welfare (Y), therefore H_1 is accepted, this means that if GDP per capita increases by 1 percent then HDI will increase by 3.0 points.

- 2) The Influence of Gross Fixed Capital Formation (PMTB) (X_2) on Community Welfare (Y) in the Regency/City of Bali Province.

(1) Hypothesis Formulation

$H_0: \beta_2 = 0$, meaning that the variable gross fixed capital formation (PMTB) partially has no effect on the welfare of the people in the districts/cities in Bali Province.

$H_1: \beta_2 > 0$, meaning that the variable gross fixed capital formation (PMTB) partially has a positive effect on the welfare of the community in the Regency/City of Bali Province.

(2) Real Level

Real level (α) = 0.05 and degree of freedom $df = (nk)$ to determine the value. So $df = (72-4) = 68$. Then $t_{table} = 1.667$

(3) Testing Criteria

If $t_{count} \leq 1.667$ or the significance value of $t_{count} > \alpha$ then H_0 is accepted

If $t_{count} > 1.667$ or the significance value of $t_{count} \leq \alpha$ then H_1 is rejected

(4) Calculate the t-test statistical value

$$t_2 = \frac{b_2 - \beta_2}{sb_2} \dots \dots \dots (4.4)$$

note:

t_2 = t count

b_2 = partial regression coefficient of PMTB variable

SB_2 = standard error

β_2 = hypothesis value

(5) Conclusion

Based on table 5, the results of the t statistical test for variable) (X_2) has a positive and significant effect on community welfare (Y), therefore H_1 is accepted, this means that if PMTB increases by 1 percent then HDI will increase by 1.6 points.

3) The Influence of Employment Status (X_3) on Community Welfare (Y) in Regencies/Cities of Bali Province.

(1) Hypothesis Formulation

$H_0: \beta_3 = 0$, meaning that the employment status variable partially has no effect on the welfare of the people in districts/cities in Bali Province.

$H_1: \beta_3 > 0$, meaning that the employment status variable partially has a positive effect on the welfare of the people in the Regency/City of Bali Province.

(2) Real Level

Real level (α) = 0.05 and degree of freedom $df = (nk)$ to determine the value. So $df = (72-4) = 68$. Then $t_{table} = 1.667$

(3) Testing Criteria

If $t_{count} \leq 1.667$ or the significance value of $t_{count} > \alpha$ then H_0 is accepted

If $t_{count} > 1.667$ or the significance value of $t_{count} \leq \alpha$ then H_1 is rejected

(4) Calculate the t-test statistical value

$$t_3 = \frac{b_3 - \beta_3}{sb_3} \dots \dots \dots (4.5)$$

note:

t_3 = t count

b_3 = partial regression coefficient for the Employment Status variable

sb_3 = standard error

β_3 = hypothesis value

(5) Conclusion

Based on table 5, the results of the t statistical test for variable positive and significant for community welfare (Y), therefore H_1 is accepted, this means that the welfare of people who have formal employment status is higher than those who have informal employment status. Those with formal employment status have an average HDI of 0.230 higher than those with informal employment status.

4) The Influence of Income Distribution (X_4) on Community Welfare (Y) in Regencies/Cities of Bali Province.

(1) Hypothesis Formulation

H_0 : $\beta_4 = 0$, meaning that the income distribution variable partially has no effect on the welfare of the community in districts/cities in Bali Province.

H_1 : $\beta_4 > 0$, meaning that the partial income distribution variable does not have a significant effect on the welfare of the people in the Regency/City of Bali Province.

(2) Real Level

Real level (α) = 0.05 and degree of freedom $df = (nk)$ to determine the value. So $df = (72-4) = 68$. Then $t_{table} = 1.667$

(3) Testing Criteria

If $t_{count} \leq 1.667$ or the significance value of $t_{count} > \alpha$ then H_0 is accepted

If $t_{count} > 1.667$ or the significance value of $t_{count} \leq \alpha$ then H_1 is rejected

(4) Calculate the t-test statistical value

$$t_3 = \frac{b_4 - \beta_4}{sb_4} \dots \dots \dots (4.6)$$

note:

t_4 = t count

b_4 = partial regression coefficient of the Income Distribution variable

sb_3 = standard error

β_4 = hypothesis value

(5) Conclusion

Based on table 5, the results of the t statistical test for the variable has a negative and insignificant effect on community welfare (Y), therefore H_1 is rejected. This means that if the Gini ratio decreases, the HDI will increase. However, the effect is not significant.

Discussion of Research Results

The influence of GDP per capita (X1) on community welfare (Y) in the districts/cities of Bali Province.

Gross regional domestic product is an important factor to see the economic growth that occurs in a region. Based on the results of this research, GRDP per capita (X1) has a significance value of (0.044) which is smaller than $\alpha = 0.05$, $((0.044) < 0.05)$ therefore it can be concluded that the variable GRDP per capita (X1) has a positive and significant effect. towards community welfare (Y), therefore H1 is accepted. If the GDP per capita value in the Regency/City of Bali Province is higher, the level of community welfare will be higher, and vice versa, if the GDP per capita is lower, the level of community welfare will be lower. Things that can determine the level of GDP per capita are by increasing investment, education and productivity. The results of this research are in accordance with research conducted by Hidayat and Woyanti (2021) and Susanti (2017) stating that GRDP per capita has a positive and significant effect on community welfare. Things that can determine the level of GDP per capita are by increasing investment, education and productivity.

The Influence of Gross Fixed Capital Formation (PMTB) (X2) on Community Welfare (Y) in the Regency/City of Bali Province.

The investment used in this research is gross fixed capital formation (PMTB) which is an investment that can be in the form of buildings or non-buildings and is a consumer good, such as roads, airports, or infrastructure related to improving community welfare, therefore in efforts to increase PMTB to improve welfare, investment variables need to be considered. PMTB investment is a number of investments issued by each region in order to improve the welfare of the community concerned. Based on the results of this research, gross fixed capital formation (PMTB) (X2) has a significance value of (0.005) which is smaller than $\alpha = 0.05$, $((0.005) < 0.05)$, so it can be concluded that the PMTB variable (X2) has a positive effect and significant to community welfare (Y), therefore H1 is accepted. If PMTB is high, it can increase economic growth, labor productivity and reduce poverty levels. Therefore, increasing PMTB must be done by paying attention to human resources, infrastructure and effective natural resource management. The results of this research are also in accordance with research by Diannita and Wenagama (2019) which states that investment has a positive and significant effect on the welfare of the people in the East Bali region.

The Influence of Employment Status (X3) on Community Welfare (Y) in Regencies/Cities of Bali Province

Employment status can be classified into 2 groups, namely formal worker status and informal worker status. In this research, formal employment status is used as a research indicator. Formal jobs usually tend to earn stable wages which can increase individual and family income which in turn can contribute to improving welfare. Based on the results of this research, employment status (X3) has a significance value of (0.000) which is smaller than $\alpha = 0.05$, $((0.000) < 0.05)$, therefore it can be concluded that the employment status variable (X3) has a positive effect and significant to community welfare (Y), therefore H1 is accepted. Where income is one of the indicators of welfare, and high income will improve people's welfare. This also shows that employment status has an influence on people's welfare, so formalization of informal employment can be done by registering as a formal worker through the relevant agency, applying for a worker card which will later become legal proof of their status as a formal worker, and informal workers can go through welfare registration. social services through related agencies, so that by formalizing informal work, informal workers can have many benefits, namely social security, better welfare and health. The results of this research are also in accordance with research by Bhaskara, Wardana, and Marhaeni (2019) which states that employment status has a positive and significant effect on workers' income. informality can have many benefits, namely social security, better well-being and health.

The Influence of Income Distribution (X4) on Community Welfare (Y) in Regencies/Cities of Bali Province

Income distribution reflects inequality or even distribution of development results in an area, whether received by each person or from ownership of production factors among the population. Inequality in income distribution in a region can be caused by the different growth and limitations of each region as well as development which tends to be concentrated in developed regions. Based on the results of this research, income distribution (X4) has a significance value of (0.756) greater than $\alpha = 0.05$, $((0.756) > 0.05)$, therefore it can be concluded that the income distribution variable (X4) has a negative effect and does not significant to community welfare (Y), therefore H1 is rejected. If income distribution is unequal, it can reduce the level of social welfare. This can cause the inequality of income distribution in a region to widen. The results of this research are also in accordance with research by Nursahid, Priyagus, and Mintatri (2021) which states that income distribution has a negative and insignificant effect on community welfare. This is in accordance with Becker's theory (Tarmidzi, 2012, in Nursahid, Priyagus, and Mintatri, 2021), namely that HDI has a negative effect on inequality. Becker also studied more deeply the role of formal

education in supporting economic growth, stating that, the higher the formal education obtained , then labor productivity increases. This is in accordance with human capital theory, namely that education has an influence on economic growth and will reduce income disparities because education plays a role in increasing the workforce. This theory assumes that population growth is determined by individual productivity. If everyone has a higher income because of their higher education, then the economic growth of the population can be supported, with economic growth both directly and indirectly affecting income inequality.

CONCLUSION

Based on the research results described in the previous chapter, conclusions can be drawn, namely as follows:

- 1) GRDP per capita, PMTB, employment status, and income distribution simultaneously have a significant influence on the welfare of the people in the Regency/City of Bali Province.
- 2) GRDP per capita, PMTB, employment status partially have a positive and significant effect on the welfare of the people in the Regency/City of Bali Province.
- 3) Income distribution partially has a negative and insignificant effect on the welfare of the people in the Regency/City of Bali Province.

REFERENCE

- Aditia, NMA, & Dewi, NPM (2018). The Influence of Government Expenditures in the Education, Health and Economic Sectors on the Level of Community Welfare in Bali Province. *Journal of Development Economics*, Udayana University, 7(2), 212-242.
- Arafah, M., & Khoirudin, R. (2022). Analysis of District/City Income Distribution Inequality in Bali Province. *JIEP: Journal of Economics and Development*, 5(2), 628-636.
- Arifianto, W. (2013). The Effect of Economic Growth on Income Distribution in Indonesia. *Journal of Economic Education (JUPE)*, 1(3).
- Anand, P. and Sen, A. K. (1994). Human Development Index: Methodology and Measurement. *HDR Occasional Papers*.
- Awandari, LPP, & Indrajaya, IGB (2016). The Influence of Infrastructure, Investment and Economic Growth on Community Welfare through Employment Opportunities. *Udayana University Development Economics E-Journal*, 5(12), 165388.
- Adipuryanti, NLPY, & Sudibia, IK (2015). Analysis of the Influence of the Number of Working Population and Investment on Income Distribution Inequality through Regency/City Economic Growth in Bali Province. *Pyramid*, 11(1), 20-28.
- Anisa, S. (2021). The Influence of Reminiscences, Gross Fixed Capital Formation (PMTB), Exports and Population on Economic Growth in 5 ASEAN Countries.

- Arka, S., & Yasa, IKOA (2015). The Influence of Economic Growth and Interregional Income Disparities on Community Welfare in Bali Province. *Journal of Applied Quantitative Economics*, 8(1), 443-28.
- Bhaskara, AY, Wardana, IG, & Marhaeni, AAIN (2019). The Influence of Education, Gender, and Employment Status on Workers' Income in Bali. *E-Journal of Development Economics*, 8(9), 1947-1976.
- Central Agency for Statistics. Bali Province Gini Ratio According to Regency/City 2020-2022. Accessed on October 01 2023 from; <https://bali.bps.go.id/indicator/23/41/1/gini-rasio-provinsi-bali-menurut-kabupaten-kota.html>
- Febriyani, A., & Anis, A. (2021). The Influence of Economic Growth, Investment and Human Development Index on Income Distribution Inequality in Indonesia. *Journal of Economic and Development Studies*, 3(4), 9-16.
- Fatah, AF, Aidar, N., AH, DS, Qudraty, M., & Wahyuni, SS (2023). The influence of ICT, TPAK, and PMTB on the GRDP of Aceh Province. *Development Economics Student Scientific Journal*, 8(4), 209-220.
- Gibescu, O. (2010). Does the gross fixed capital formation represent a factor for supporting the economic growth?.
- Ghozali, I. (2006). *Multivariate Analysis Application with SPSS Program*. Semarang: Diponegoro University Publishing Agency.
- Ghozali.2016. *Multivariate Analysis Applications*. Semarang: Diponegoro University Publishing Agency
- Ghozali, IPDMKP HD. CA (2016). *Quantitative & Qualitative Research Design*.
- Graham, C. (2010). The challenges of incorporating empowerment into the HDI: Some lessons from happiness economics and quality of life research. *UNDP-HDRO occasional papers*, (2010/13).
- Ghodang, H. (2020). *Path analysis (path analysis)*. Publisher Partners Group.
- Geli, KAK, Harsono, H., & Widiawati, D. (2021). The Influence of GRDP, Population Growth, and MSEs on the Open Unemployment Rate in East Flores Regency 2010-2019. *Indonesian Journal of Regional Economics*, 2(1), 92-107.
- Gillani, D. Q., & Naeem, M. Z. (2017). Employment Status and Labor Force in the Formal and Informal Sector: A Case Study of Lahore District. *Journal of Political Studies*, 24(1), 83.
- Hikmah, AN (2021). *Analysis of the Influence of Investment, Human Development Index and Population on Income Distribution Inequality in the City of Surabaya 2011-2018*. (Doctoral dissertation, University of 17 August 1945 Surabaya).