THE INFLUENCE OF INFLATION ON THE UNEMPLOYMENT RATE OPEN IN INDONESIA

M. Yusuf Parlagutan Lubis[1], Dilla Sastri Mara[2], Wilson Samosir[3], Arsiaty Sumule[4], Yulia Delfahedah[5].
Universitas Pembangunan Masyarakat Indonesia[1]
Universitas Efarina[2,3,4,5].

*Correspondence: parlagutan85@gmail.com

Abstract

The purpose of this research is to find out.The Influence of Inflation on the Open Unemployment Rate in Indonesia based on the research results it can be seen thatobtained tcount value of 0.992 With α = 5%, ttable (5%; 36-k = 35) obtained ttable value of 2.030 From this description it can be seen that tcount (0.992) < ttable (2.030), and its significance value is 0.328 > 0 .05, it can be concluded that the first hypothesis is rejected, meaningInflation Rate(X) has no significant effectto the Open Unemployment Rate (Y). In other words, the inflation rate has no significant effect on the unemployment rate in Indonesia.

Keywords:Inflation and Unemployment Rate.

INTRODUCTION

Development is generally focused on economic development through efforts to increase economic growth. The level of economic growth is one measure of the success of the development of a country or region. High and sustainable economic growth is the main condition or a necessity for the continuation of economic development and increasing welfare. Economic development is aimed at increasing people's welfare on the economic and social side. One of the goals of economic development itself is to create opportunities and employment as much as possible so that the workforce in a country can be absorbed in the process of economic activity in that country.

On the other hand, the goal of economic development is to create growth and increase human resources (HR). The goals to be achieved are the same as in the macroeconomic goals, namely to achieve economic stability in conditions of full employment and also to achieve low inflation, low unemployment rates and high quality economic growth. One of the problems faced by developing countries is high unemployment. tall. Unemployment is defined as someone who belongs to the labor force and is actively looking for work at a certain wage level, but does not get the job he wants. The amount of unemployment in a region is a problem that does not only cover the economic sector. On the other hand, The problem of unemployment also has a close relationship with the social and educational fields. At present it is not only people with low education who are unemployed, many people who have higher education levels are also unemployed.

It can be known based on research conducted by Qomariyah (2012), stating that economic growth has a negative and significant effect on the unemployment rate. This is in accordance with Okun's law, where Okun's law examines the relationship between the

unemployment rate and the amount of a country's GDP. Every time there is an increase in the percentage of unemployment in a country, this will be equivalent to a decrease in the amount of GDP by 2%. Julius (2011: 22) states that the definition of inflation is as follows: "A short definition of inflation is the tendency of prices to rise continuously". Meanwhile, Bank Indonesia defines inflation as a general and continuous increase in prices. An increase in just one or two goods cannot be called inflation unless the increase extends (or causes price increases) to other goods. The opposite of inflation is called deflation (*www.bi.go.id*).

*International Labor Organization*The International Labor Organization (ILO) defines unemployment as open unemployment as someone belonging to the working-age population who has not worked for a certain period, is willing to accept work, and is looking for work.Economists study unemployment to identify its causes and to help correct public policies that affect unemployment. Some of these policies, such as job training programs, help people find jobs. Other policies, such as unemployment insurance, help reduce the hardships experienced by the unemployed. But other policies still affect the emergence of unemployment by accident. According to 2018 Indonesia statistical dataThe total workforce in August 2018 was 131.01 million people, an increase of 2.95 million people compared to August 2017. Accordingly, the Labor Force Participation Rate (TPAK) also increased by 0.59 percentage points.

The following is a Table of Indonesia's Open Unemployment Rate for the 2017-2018 Period:

Table
Open Unemployment Rate by Province (percent)
February 2017–February 2018

Province	A Year Ago (February 2017)	Last Semester (August 2017)	At the moment (February 2018)	Change 1 Year (Feb 2017–Feb 2018)	Change 1 Semester (Aug 2017–Feb 2018)
(1)	(2)	(3)	(4)	(5)	(6)
aceh	7,39	6,57	6.55	-0.84	-0.02
North Sumatra	6,41	5,60	5.59	-0.82	-0.01
West Sumatra	5.80	5.58	5.55	-0.25	-0.03
Riau	5,76	6,22	5,72	-0.04	-0.50
Jambi	3.67	3.87	3.65	-0.02	-0.22
South Sumatra	3.80	4.39	4.02	0.22	-0.37
Bengkulu	2.81	3.74	2.70	-0.11	-1.04
Lampung	4,43	4,33	4,33	-0.10	0.00
Bangka Belitung	4.46	3.78	3.61	-0.85	-0.17
Riau islands	6,44	7,16	6,43	-0.01	-0.73

DKI Jakarta	5,36	7,14	5,34	-0.02	-1.80
West Java	8,49	8,22	8,16	-0.33	-0.06
Central Java	4,15	4.57	4,23	0.08	-0.34
In Yogyakarta	2.84	3.02	3.06	0.22	0.04
East Java	4,10	4.00	3.85	-0.25	-0.15
Banten	7.75	9,28	7,77	0.02	-1.51
Bali	1.28	1.48	0.86	-0.42	-0.62
West Nusa Tenggara	3.86	3,32	3.38	-0.48	0.06
East Nusa Tenggara	3,21	3,27	2.98	-0.23	-0.29
West Kalimantan	4,22	4.36	4,15	-0.07	-0.21
Central Kalimantan	3,13	4,23	3,18	0.05	-1.05
South Kalimantan	3.53	4.77	3.86	0.33	-0.91
East Kalimantan	8.55	6,91	6.90	-1.65	-0.01
North Kalimantan	5,17	5.54	4.68	-0.49	-0.86
North Sulawesi	6,12	7,18	6.09	-0.03	-1.09
Central Sulawesi	2.97	3.81	3,19	0.22	-0.62
South Sulawesi	4.77	5,61	5,39	0.62	-0.22
Southeast Sulawesi	3,14	3.30	2.79	-0.35	-0.51
Gorontalo	3.65	4,28	3,62	-0.03	-0.66
West Sulawesi	2.98	3,21	2.45	-0.53	-0.76
Maluku	7,77	9,29	7,38	-0.39	-1.91
North Maluku	4.82	5,33	4.65	-0.17	-0.68
West Papua	7,52	6,49	5,67	-1.85	-0.82
Papuan	3.96	3,62	2.91	-1.05	-0.71
Total	**5,33**	**5.50**	**5,13**	**-0.20**	**-0.37**

Source: Processed from February 2017, August 2017 and February 2018 National Labor Force Survey (Sakernas) data

Based on the data above, it can be seen that the average unemployment rate in Indonesia is still high, reaching above 5%, while Indonesia's current economic growth rate has not been able to pass the government cabinet target which wants economic growth to reach 6%.

In the past year, unemployment has decreased by 40 thousand people, in line with the TPT which fell to 5.34 percent in August 2018. Judging from the level of education, the TPT for Vocational High Schools (SMK) still dominates among other education levels, namely 11.24 percent. The working population is 124.01 million people, an increase of 2.99 million people from August 2017. Jobs that experienced an increase in the percentage

of the working population were mainly in the Provision of Accommodation and Food and Drink (0.47 percent point), Processing Industry (0 .21 percent point), and Transportation (0.17 percent point). While employment that experienced a decline was mainly in Agriculture (0.89 percentage point), Other Services (0.11 percentage point), and Education Services (0.05 percentage point). As many as 70.49 million people (56.84 percent) work in informal activities.

The unemployment rate which continued to increase in 2018 was partly due to the higher percentage of inflation, which greatly impacted the weakening of Indonesia's economic growth. Quoted from the official website of Bank Indonesia (BI), inflation is simply defined as an increase in prices in general and continuously for a certain period of time. An increase in the price of just one or two goods cannot be called inflation, except if the increase extends (or causes price increases) to other goods. Well the opposite of inflation is called deflation.

Meanwhile, the Central Bureau of Statistics (BPS) defines inflation as a tendency for prices of goods and services to rise, in general, which takes place continuously. If the price of goods and services in the country increases, inflation will increase. Rising prices of goods and services cause a decrease in the value of money. Thus, inflation can also be interpreted as a decrease in the value of money against the value of goods and services in general.

The indicator that is often used to measure the inflation rate is the Consumer Price Index (CPI). That is an index that calculates the average price change of a package of goods and services consumed by households in a certain period of time. Changes in the CPI from time to time reflect the rate of increase (inflation) or rate of decline (deflation) of goods and services. Determination of goods and services in the CPI basket is carried out on the basis of the Cost of Living Survey (SBH) conducted by BPS.

The following is Monthly Inflation Data in Indonesia in 2018 which drives the high rate of Open Unemployment (TPT):

Table
INFLATION REPORT (Consumer Price Index)
Based on annual inflation calculations

Month year	Inflation Rate
December 2018	3.13 %
November 2018	3.23 %
October 2018	3.16 %
September 2018	2.88 %
August 2018	3.20 %
July 2018	3.18 %
June 2018	3.12 %
May 2018	3.23 %

April 2018	3.41 %
March 2018	3.40 %
February 2018	3.18 %
January 2018	3.25 %

Source: www.bi.go.id

The results of the Consumer Price Index (CPI) Survey conducted by Bank Indonesia show that the monthly inflation rate is quite high and this has exceeded the national inflation control target threshold of 2%, this is of course a very strong trigger in hampering Indonesia's economic growth.

There is a positive relationship between the wage rate and unemployment, because if the wage rate increases, the demand for labor will decrease and unemployment will increase. The wage rate in Sumatra Province increases every year, and vice versa, the relationship between inflation and open unemployment is introduced through AW Philips which explains that there is a negative relationship between unemployment and inflation. Philips explained that an increase in aggregate demand would push up prices which in turn would encourage producers to increase production of goods and services. Humans (labor) are considered the only factor of production, so with rising prices (inflation) which will eventually lead to reduced unemployment

LITERATURE REVIEWS

Economic development

Economy is all matters related to life in the household. The word household does not only refer to one family but more broadly, namely the nation, state and world households (Putong, 2013: 418). Understanding Development Economics The grand theory in this study is Development Economics. Development economics is part of economics which specifically studies the economic conditions that occur in a country. Economic development is a process that causes real per capita income to increase in the long run or if the rate of development is greater than the rate of population growth so that real per capita income increases.

In essence, studies in development economics can be included in two groups. The discussion on economic development, both descriptive and more analytical in nature, aims to provide an overview of the various characteristics of the economy and society in developing countries and the implications of these characteristics for the possibility of developing the region's economy. Furthermore, the discussion may also be in the nature of providing various development policy options that can be implemented in an effort to accelerate the process of economic development in developing countries.

Inflation

Sukirno (2011: 165) states that the definition of inflation is as follows: "Inflation is an increase in the prices of goods that are general and continuous." Meanwhile, according to Julius (2011: 22) states that the definition of inflation is as follows: "The short definition of

inflation is the tendency of prices to rise continuously". Furthermore, according to Murni in Hermawan (2013: 202) states that the definition of inflation is as follows: "Inflation is an event that shows an increase in price levels in general and takes place continuously".

In accordance with the theory put forward by Keynes Theory, in research Harjunata YTKalalo, Tri Oldy Rotinsulu, Mauna Th. B. Maramis (2016: Vol. 16. No. 01), inflation can occur when a group of people wants to live beyond their economic capacity, by buying goods and services in excess. However, the high rate of inflation also does not really have an impact on the level of unemployment that occurs in society. However, if this continues continuously, this can result in a high level of open unemployment when the inflation rate is high. In accordance with the law of economics, the more demand while supply remains, the prices will rise. Because it occurs naturally, inflation is not an economic phenomenon that can be avoided, it can only be overcome. To do this, it needs serious handling in the process. Ways that can be taken is to enact certain policies.

Open unemployment

*International Labor Organization*The International Labor Organization (ILO) defines unemployment as open unemployment as someone belonging to the working-age population who has not worked for a certain period, is willing to accept work, and is looking for work.Unemployment is often a problem in the economy because with unemployment, people's productivity and income will decrease so that it can cause poverty and other social problems.

From year to year unemployment has a tendency to increase. This is a big challenge for the Indonesian government because one of the indicators of successful development is being able to significantly reduce poverty and reduce unemployment. Especially in this era of globalization, labor competition is getting tougher, especially because of the opening of free trade which makes it easier for foreign workers who are believed to be of higher quality to enter the country. At present, efforts to reduce unemployment are by using an economic development plan that includes a mature employment plan. Besides that, it is also accompanied by awareness of a more democratic workforce regarding the right to choose a job, employment opportunities, work locations according to ability,

METHODS

Data collection technique

The data collection technique used is by:

1. Interview

According to Sugiyono (2015: 231) interviews are a data collection technique if the researcher wants to conduct a preliminary study to find problems that must be studied, but also if the researcher wants to know things from respondents that are more in-depth.

2. Library Studies

According to Sugiyono (2012: 291), literature study is related to theoretical studies and other references related to values, culture and norms that develop in the social

situation studied, besides that literature study is very important in conducting research, this subject to research will not be separated. from scientific literature.

Types and Data Sources

1. Data Type

a. Qualitative Data
Qualitative research is research in which research data is more concerned with the interpretation of data found in the field (Sugiyono, 2011: 8)

b. Quantitative Data
Quantitative research is research where the research data is in the form of numbers and the analysis uses statistics (Sugiyono, 2011: 7)

2. Data Source

According to Sugiyono (2012: 193) the types of data are divided into two, namely:

a. Primary data is a data source that directly provides data to data collectors. In this study, the primary data is in the form of data from literature studies from various sources, both previous research and information from competent parties in their respective fields.

b. Secondary data is a source that does not directly provide data to data collectors, for example through other people or through documents. The secondary data in this study are inflation data and open unemployment rate (TPT) data.

RESULTS AND DISCUSSION

Results and Discussion

Descriptive Analysis of Research Data

1. Development of the Open Unemployment Rate

The Open Unemployment Rate (TPT) isa person belonging to the working-age population who has not worked for a certain period, is willing to accept work, and is looking for work.Unemployment is often a problem in the economy because with unemployment, people's productivity and income will decrease so that it can cause poverty and other social problems. The development of the Open Unemployment Rate (TPT) by Province from 2017 to 2018 can be presented as follows:

Table
Open Unemployment Rate by Province (percent)
February 2017–February 2018

Province	A Year Ago (February 2017)	Last Semester (August 2017)	At the moment (February 2018)	Change 1 Year (Feb 2017–Feb 2018)	Change 1 Semester (Aug 2017–Feb 2018)
(1)	(2)	(3)	(4)	(5)	(6)

aceh	7,39	6,57	6.55	-0.84	-0.02
North Sumatra	6,41	5,60	5.59	-0.82	-0.01
West Sumatra	5.80	5.58	5.55	-0.25	-0.03
Riau	5,76	6,22	5,72	-0.04	-0.50
Jambi	3.67	3.87	3.65	-0.02	-0.22
South Sumatra	3.80	4.39	4.02	0.22	-0.37
Bengkulu	2.81	3.74	2.70	-0.11	-1.04
Lampung	4,43	4,33	4,33	-0.10	0.00
Bangka Belitung	4.46	3.78	3.61	-0.85	-0.17
Riau islands	6,44	7,16	6,43	-0.01	-0.73
DKI Jakarta	5,36	7,14	5,34	-0.02	-1.80
West Java	8,49	8,22	8,16	-0.33	-0.06
Central Java	4,15	4.57	4,23	0.08	-0.34
In Yogyakarta	2.84	3.02	3.06	0.22	0.04
East Java	4,10	4.00	3.85	-0.25	-0.15
Banten	7.75	9,28	7,77	0.02	-1.51
Bali	1.28	1.48	0.86	-0.42	-0.62
West Nusa Tenggara	3.86	3,32	3.38	-0.48	0.06
East Nusa Tenggara	3,21	3,27	2.98	-0.23	-0.29
West Kalimantan	4,22	4.36	4,15	-0.07	-0.21
Central Kalimantan	3,13	4,23	3,18	0.05	-1.05
South Kalimantan	3.53	4.77	3.86	0.33	-0.91
East Kalimantan	8.55	6,91	6.90	-1.65	-0.01
North Kalimantan	5,17	5.54	4.68	-0.49	-0.86
North Sulawesi	6,12	7,18	6.09	-0.03	-1.09
Central Sulawesi	2.97	3.81	3,19	0.22	-0.62
South Sulawesi	4.77	5,61	5,39	0.62	-0.22
Southeast Sulawesi	3,14	3.30	2.79	-0.35	-0.51
Gorontalo	3.65	4,28	3,62	-0.03	-0.66
West Sulawesi	2.98	3,21	2.45	-0.53	-0.76
Maluku	7,77	9,29	7,38	-0.39	-1.91
North Maluku	4.82	5,33	4.65	-0.17	-0.68
West Papua	7,52	6,49	5,67	-1.85	-0.82
Papuan	3.96	3,62	2.91	-1.05	-0.71
Total	**5,33**	**5.50**	**5,13**	**-0.20**	**-0.37**

Source: Processed from February 2017, August 2017 and February 2018 National Labor Force Survey (Sakernas) data

2. Inflation Development

The following is Monthly Inflation Data in Indonesia in 2018 which drives the high rate of Open Unemployment (TPT):

Table
INFLATION REPORT (Consumer Price Index)
Based on annual inflation calculations

Month year	Inflation Rate
December 2018	3.13 %
November 2018	3.23 %
October 2018	3.16 %
September 2018	2.88 %
August 2018	3.20 %
July 2018	3.18 %
June 2018	3.12 %
May 2018	3.23 %
April 2018	3.41 %
March 2018	3.40 %
February 2018	3.18 %
January 2018	3.25 %

Source: www.bi.go.id

The results of the Consumer Price Index (CPI) Survey conducted by Bank Indonesia show that the monthly inflation rate is quite high and this has exceeded the national inflation control target threshold of 2%, this is of course a very strong trigger in hampering Indonesia's economic growth.

Variable Description

Table of Description of Inflation

Descriptive Statistics

	N	Minimum	Maximum	Means	std. Deviation
Inflation_rate_X	36	32.00	445.00	326.5000	99.90953
Level_Unemployment_Open_Y	36	55.00	1124.00	639.9722	291.66825
Valid N (listwise)	36				

The table above shows the results of descriptive statistical measurements of the Inflation Rate variable (X), the minimum answer value is 3.2% and the maximum value is 44.5% with an average (mean) answer of 32.6% and a standard deviation value by 99.9%. And the results of descriptive statistical measurements on the variable Unemployment Rate

(Y), the answer is a minimum value of 5.5% and a maximum value of 11.24% with an average (mean) answer of 63.99% and a standard deviation value of 29. 16%

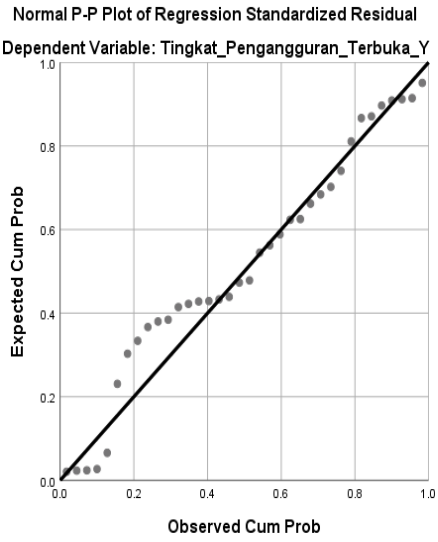
Classic assumption test

The testing of the classical assumptions with the SPSS 25.00 program carried out in this study includes:

1. **Normality test**

The Normality Test aims to test whether in the regression model, the confounding or residual variables have a normal distribution (Ghozali, 2016: 154). Data normality testing can be done using two methods, graphics and statistics. The normality test for the graphical method uses the normal probability plot, while the normality test for the statistical method uses the one sample Kolmogorov Smirnov test.

Plot normal images



Data that is normally distributed will form a straight diagonal line and residual data plotting will be compared with the diagonal line, if the residual data distribution is normal then the line that describes the actual data will follow the diagonal line (Ghozali, 2016). Data that is normally distributed will form a straight diagonal line and residual data plotting will be compared with the diagonal line, if the residual data distribution is normal then the line that describes the actual data will follow the diagonal line (Ghozali, 2016). The test results using SPSS 25.00 are as follows:

Table of the One Sample Kolmogorov Smirnov Test

One-Sample Kolmogorov-Smirnov Test

		Unstandardized Residuals
N		36
Normal Parameters, b	Means	.0000000
	std. Deviation	287.53856078
Most Extreme Differences	absolute	.143
	Positive	086
	Negative	-.143

Test Statistics			.143
asymp. Sig. (2-tailed)			.062c
Monte Carlo Sig. (2-tailed)	Sig.		.500d
	99% Confidence Intervals	LowerBound	.285
		Upperbound	.715

a. Test distribution is Normal.
b. Calculated from data.
c. Lilliefors Significance Correction.
d. Based on 36 sampled tables with a starting seed of 2000000.

Source: Processed data (2020)

From the output in the table it can be seen that the significance value (Monte Carlo Sig.) of all variables is equal to0.500 If the significance is more than 0.05, then the residual value is normal, so it can be concluded that all variables are normally distributed.

2. Autocorrelation Test

Autocorrelation test aims to test whether in the linear regression model there is a correlation between the confounding errors in period t and the confounding errors in the t-1 (previous) period. Autocorrelation testing uses the Durbin-Watson test, with the criteria du < d < 4-du. The test results using SPSS 25 are shown as follows:

Autocorrelation Test Table

Summary model b

Model	R	R Square	Adjusted R Square	std. Error of the Estimate	Durbin-Watson
1	.168a	.124	.110	291.73643	1,548

a. Predictors: (Constant), Rate_Inflation_X

b. Dependent Variable: Level_Unemployment_Open_Y

Source: Processed data (2020)

From the table aboveWith a Durbin-Watson value of 1,548 and a sample size of 36 (n), the number of independent variables is 1 (k = 1), the Durbin-Watson value, DW 1,548 is greater than the upper limit (du) 1,525 and less than 4 –1,525 (4 -du), with table values at a significance level of 5%, it can be concluded that there is no autocorrelation in this regression model, or the calculation can be concluded that the DW value lies in the test area. with an upper limit value (du) 1.525 and a lower limit (dl) 1.411.

Simple Linear Regression Testing

Simple linear regression testing explains the magnitude of the role of the Inflation Rate variable (X) on the Open Unemployment Rate variable (Y). Data analysis in this study used simple linear regression analysis using SPSS 25.0 for windows. The analysis of each variable is explained in the following description:

Table of Simple Linear Regression Results

Coefficientsa

Model		Unstandardized Coefficients		Standardized Coefficients			Collinearity Statistics	
		B	std. Error	Betas	t	Sig.	tolerance	VIF
1	(Constant)	480,145	168,326		2,852	007		
	Inflation_rate_X	.490	.494	.168	.992	.328	1,000	1,000

a. Dependent Variable: Level_Unemployment_Open_Y

Based on these results, the simple linear regression equation which describes the simple linear regression equation above is as follows: Based on these results, the simple linear regression equation has the formulation:Y = a + bX, so the equation is obtained: Y =480,145+0.490X

a. The constant value (a) of 480,145 indicates the magnitude of the Open Unemployment Rate (Y) if the Inflation Rate (X) andThe Open Unemployment Rate (Y) is equal to zero.
b. The regression coefficient value of the Open Unemployment Rate (X) (b1) is 0.490 indicating the large role of the Inflation Rate (X) on the Open Unemployment Rate (Y) with the assumption that the variableThe Open Unemployment Rate (Y) is constant. This means that if the Inflation Rate (X) factor increases by 1 value unit, it is predicted that the Open Unemployment Rate (Y) will increase by 0.490 value units assuming the Open Unemployment Rate (Y1) is constant.

Coefficient of Determination (R2)

The coefficient of determination is used to see how much the independent variable contributes to the dependent variable. The greater the value of the coefficient of determination, the better the ability of variable X to explain Variable Y. If the determination (R2) is greater (closer to 1), then it can be said that the effect of variable X is large on the Open Unemployment Rate (TPT). The value used in viewing the coefficient of determination in this study is in the adjusted R square column. This is because the value of the adjusted R square is not susceptible to the addition of independent variables. The value of the coefficient of determination can be seen in the following table:

Determination Coefficient Table

Summary model b

Model	R	R Square	Adjusted R Square	std. Error of the Estimate	Durbin-Watson
1	.168a	.124	.110	291.73643	1,548

a. Predictors: (Constant), Rate_Inflation_X
b. Dependent Variable: Level_Unemployment_Open_Y

Based on the table, it can be seen that the value of the adjusted R square is 0.110 or 11.0%. This shows that the variable Inflation Rate (X1) can explain the variable Open Unemployment Rate (Y) of 11.0%, the remaining 89.0% (100% - 11.0%) is explained by other variables outside this research model.Such as the level of economic growth of GRDP in several years can describe the increase, decrease, income level and inflation rate in

society. According to Tarigan (2012: 13), increases, decreases, inflation rates and unemployment rates can be divided into two factors, namely:

a. Real increase/decrease, namely increase/decrease in income levels that are not influenced by price changes. If there is a real increase in people's income, it means that the purchasing power of the people in the area increases, they are able to buy goods of the same quality in greater quantities
b. Increase/decrease in income due to price changes. If there is an increase in income that is only due to inflation, even though income increases, the number of goods that can be purchased does not necessarily increase. It needs to be seen which increases more sharply, the income level or the price level (inflation).

Hypothesis testing

1. t test (Partial)

The t statistical test is also known as the individual significance test. This test shows how far the influence of the independent variables partially on the dependent variable. In this study, partial hypothesis testing was carried out on each independent variable as shown in the following table:

Partial Test Table (t)

Coefficientsa

Model		Unstandardized Coefficients		Standardized Coefficients			Collinearity Statistics	
		B	std. Error	Betas	t	Sig.	tolerance	VIF
1	(Constant)	480,145	168,326		2,852	007		
	Inflation_rate_X	.490	.494	.168	.992	.328	1,000	1,000

a. Dependent Variable: Level_Unemployment_Open_Y

a. Hypothesis Testing Effect of Inflation Variable (X1) on TPT Variable (Y) The form of hypothesis testing based on statistics can be described as follows:
Decision Making Criteria:
1) Reject the hypothesis if tcount < ttable or -tcount> - ttable orSig value. >0.05
2) Accept the hypothesis if tcount ≥ ttable or -tcount ≤ - ttable orSig. < 0.05
From the table, the value of tcount is obtained0.992With α = 5%, ttable (5%; nk"(1)" = 35) obtained a ttable value of 2.030 From this description it can be seen that tcount (0.992) < ttable (2.030), so does the significance value of0.328> 0.05, it can be concluded that the first hypothesis is rejected, meaningInflation rate variable (X1) has no significant effectto the variable Open Unemployment Rate (Y).In accordance with the theory put forward by Keynes Theory, in research Harjunata YTKalalo, Tri Oldy Rotinsulu, Mauna Th. B. Maramis (2016: Vol. 16. No. 01), inflation can occur when a group of people wants to live beyond their economic capacity, by buying goods and services in excess. However, the high rate of inflation also does not really have an impact on the level of unemployment that occurs in society. However, if this continues continuously, this can result in a high level of open unemployment when the inflation rate is high. In accordance with the law of economics, the more demand

while supply remains, the prices will rise. Because it occurs naturally, inflation is not an economic phenomenon that can be avoided, it can only be overcome. To do this, it needs serious handling in the process. Ways that can be taken is to enact certain policies. Policies that can be taken to overcome the problem of inflation. Based on research conducted by Sri Mulyati (2009), Analysis of the Relationship between Inflation and Unemployment in Indonesia for the 1985-2008 Period: The Philips Curve Approach. The research results show that the inflation rate has no significant effect on the unemployment rate. It can also be said that inflation may affect the level of unemployment in society but conversely inflation may also have no effect on the unemployment rate. according to existing indicators and phenomena, and the results of research from Sri Mulyati seen from the value of the inflation coefficient which is positive and not significant. The number of labor force has a significant effect on the unemployment rate.

CLOSING

Conclusion

This study tries to answer the research objective, which is to find out how the inflation rate influences the open unemployment rate in Indonesia.Based on the results of the research and discussion in the previous chapter, it can be concluded as follows:

1. What was submitted stated that:From table 4.9, a tcount value of 0.992 is obtained. With $\alpha = 5\%$, ttable (5%; 36-k = 35) a ttable value of 2.030 is obtained. From this description it can be seen that tcount (0.992) < ttable (2.030), and its significance value is 0.328 > 0.05, it can be concluded that the first hypothesis is rejected, meaningInflation Rate(X) has no significant effectto the Open Unemployment Rate (Y). In other words, the inflation rate has no significant effect on the unemployment rate in Indonesia.

Suggestions

To perfect this research, there are several additional aspects proposed in the suggestions in this research, namely as follows:

1. Based on the calculation results of the regression analysis, it can be seen that the inflation rate has no significant effect on the open unemployment rate in Indonesia.
2. Further research is suggested to consider variables not examined in this study.
3. It is recommended for future researchers to expand the scope of research objects, for example in government, provincial or national coverage throughout Indonesia.

REFERENCES

Pure Asfia. 2013. Macroeconomics. PT Refika Aditama. Bandung

Aan Komariah and Djam'an Satori. 2012. "Qualitative Research Methodology": Afabeta. Bandung

Ghozali, Imam. 2011. "Application of Multivariate Analysis with the SPSS Program"

Diponegoro University Publishing Agency. Semarang

———2012. Application of Multivariate Analysis with the IBM SPSS Program: Diponegoro University. Yogyakarta

———2013. Application of Multivariate Analysis with the IBM SPSS 21 Update PLS Regression Program. Semarang: Diponegoro University Publishing Agency. Yogyakarta

Ghozali, Imam, 2016, Application of Multivariate Analysis with the IBM SPSS 21 Program

Harjunata Y.T.Kalalo, TriOldyRotinsulu, MaunaTh.B.Maramis (2016) conducted research on "Analysis of the factors that influence inflation in Indonesia in the 2000-2014 period. Efficiency Scientific Periodical Journal Vol. 16 No. 01 of 2016

Irhamni, 2018. The Influence of Population, Unemployment, and Government Expenditure on Poverty in Indonesia in 1986-2015. Faculty of Economics, State University. Yogyakarta.

Julius R. Latumaerissa 2011, Banks and other financial institutions,: Salemba Empat. Jakarta

Nazir, Moh. 2013. "Research Method". Indonesian Ghalia. Bogor

Nadia Ika Purnama .2015, The Effect of Inflation on the Unemployment Rate in Medan City, Faculty of Economics, Muhammadiyah University, North Sumatra. Medan

Putong, Iskandar. 2013. Introduction to Micro and Macro Economics. : Media Discourse Partners. Jakarta

Sugiyono 2011. Quantitative, Qualitative and R&D Research Methods: Alfabeta. Bandung

Sugiyono. 2012. "Business Research Methodology", Print 16. Alfabeta. Bandung

——— 2013. "Quantitative, Qualitative and R&D Research Methods". Alfabeta. CV. Bandung

Putong, Iskandar. 2013. Introduction to Micro and Macro Economics. : Media Discourse Partners. Jakarta

Sukirno 2010, Human Resource Management.: Earth Literacy. Jakarta

——— 2010. Introductory Macroeconomic Theory. King of Grafindo Persada. Jakarta

———2011. Introduction to Macroeconomic Theory, Third Edition. Rajawali Press. Jakarta

Natsir, M. 2014, Introduction to Micro and Macro, Raja Grafindo Persada. Jakarta

Qamariyah (2012). The Effect of Economic Growth on Unemployment. In View Of The Amount Of GDP. Thesis. Trisakti University, Economics and Business: Jakarta