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An Analysis of Urban Poverty and Unemployment

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OPEN ACCESS

Citation: Faturohim, A., Akbar, A., Hidayat, B. A., & Saksono, H. (2023). An Analysis of Urban Poverty and Unemployment. *Jurnal Bina Praja*, 15(2), 309–324. <https://doi.org/10.21787/jbp.15.2023.309-324>

Received: 30 June 2023

Accepted: 28 August 2023

Published: August 2023

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Abstract: The success of development depicts economic growth. Nevertheless, it is pertinent to emphasize that a significant increase in economic growth may not eradicate poverty, unemployment, and health issues. The prevalence of poverty in Palembang City in 2021 was considerably elevated, amounting to 11.34 percent, while the unemployment rate has exhibited an upward trend, reaching 10.11 percent. Additionally, there was a decline in employment within the labor market, accompanied by a corresponding rise in the number of individuals actively seeking job opportunities. This study aims to examine the various elements contributing to poverty and unemployment and formulate an integrated and sustainable model for poverty reduction and lowering unemployment in urban areas. The data collection technique uses a concurrent mixed method through questionnaires distributed to the public by purposive random sampling of 215 informants and Focus Group Discussions with relevant stakeholders in Palembang City in November 2022. The results of the study found that four factors contribute to poverty in Palembang City: education level, economic growth, health, and labor force participation rate. The level of education is the most dominant factor that plays a role in the occurrence of poverty and unemployment in Palembang City. The strategy formulated is the provision of educational scholarship programs for poor families at the primary and secondary education levels through the utilization of operational costs. It can be concluded that education has a big role in reducing poverty and unemployment, so it is important to invest in education. Investment in education, including improved access and quality of education, can help address issues of poverty and unemployment by giving individuals better opportunities for decent work.

Keywords: poverty; unemployment; education; urban; economic growth.

1. Introduction

Indonesia's economy grew by 5.31 percent in 2022, higher than the growth rate of 3.70 percent in 2021. Economic growth is used as a benchmark for the development or economic progress of a country or region because it is related to the economic activity of the community, especially in terms of increasing the production of goods and services (Putriana & Aji, 2022). The development paradigm of a country today is not only measured by the economic growth rate but also pays attention to human development (Faizin, 2021). Economic development should be able to improve the welfare of the community and the quality of human resources. However, as the total value of goods and services produced nationally increases, high unemployment and poverty remain crucial problems. The success of a development process cannot be separated from its main subject, namely the population of a region (Azzuhri, 2016; Galor, 2012; Miladinov, 2020).

Interventions on the quality of human resources need to be carried out to achieve national development goals. The statement highlighted the importance of human capital in the development of the nation as a whole. Human resources include the knowledge, skills, abilities, and overall potential of individuals in a population. When a region's human resources are developed and utilized effectively, they can be the driving force of economic, social, and cultural progress.

One important factor that plays a role in the success of development is the unemployment rate. Unemployment can occur due to the high rate of change in the labor force that is not offset by the availability of employment, so the employment rate decreases. From the supply side, unemployment also occurs because job creation grows relatively slowly to accommodate workers who are ready to work (Novriansyah, 2018). Ideally, development in a country is said to be successful if there is high and stable economic growth, increased human development, and decreased poverty and unemployment (Arkum & Amar, 2022). An effective theoretical strategy to reduce unemployment is to focus on a social, economic approach, namely providing accurate information about employment, organizing free job training, supervising education and entrepreneurship programs, and providing socially inclusive information literacy (Dinar et al., 2022).

Unemployment is the difference between the labor force and the actual use of labor. The open unemployment rate is the percentage of the number of unemployed to the total labor force. Open unemployment consists of people who do not have a job and are looking for work, people who do not have a job and are preparing for business, and people who do not have a job and do not look for work because they find it impossible to get a job, and people who already have a job but have not started working (Indayani & Hartono, 2020).

The high level of unemployment in an economy can cause people to be unable to maximize their level of welfare. Correspondingly, unemployment can also cause government revenues to decline and trigger a slowdown in economic growth. The main factor driving unemployment is the lack of jobs. In addition, another cause is the increasingly high population growth rate, which is not followed by the speed of investment growth (Yunianto, 2021).

Higher unemployment rates can lead to an increase in poverty in Indonesia. Urban poverty is one of modern society's biggest and most pressing challenges (Panori et al., 2019). Poverty is generally described as low income to meet basic needs. People's welfare is determined by poverty levels influenced by income and usage patterns, including food and non-food consumption levels, where a higher allocation of income to non-food expenditures indicates an increase in population

welfare (Subarna, 2012). Poverty is also defined as an inability to meet basic needs such as food, clothing, shelter, education, and health (Putra et al., 2022). However, poverty is not only related to income levels but also social environmental aspects and even empowerment and participation levels (Novriansyah, 2018).

Unemployment and poverty can play a role in the economic growth of a country or region. The economy is said to experience growth if the production of goods and services increases from the previous year (Somba et al., 2021). The main indicator of the success of the development of a region is the decline in the number of poor people. The effect of reducing the number of poor people is an important factor in choosing development strategies and tools, meaning that one of the priorities of the national development sector is reducing the number of poor people. If a significant reduction in poverty accompanies economic growth, then the state has succeeded in creating prosperity (Adam et al., 2022).

Palembang City in 2021 is below the poverty level of South Sumatra Province and is ranked fifth among regencies/cities in South Sumatra. Despite the lower level, the number of poor people in Palembang City in 2021 is still relatively high, which is 194,120 people. In addition, the percentage of poor people in Palembang City also increased in 2021, which was 11.34 percent compared to the previous year, which was 10.88 percent. Thus, hard work and synergy are needed by the City and Provincial governments of South Sumatra so that the poverty rate can continue to decrease as expected to improve the welfare of the poor.

Meanwhile, the unemployment rate 2021 in Palembang City was 10.11 percent, or an increase from 2020, which was 9.86 percent. At the same time, there was a decrease in employment in the job market, where the number of job seekers also increased from 1,407 people in 2020 to 1,665 people in 2021. This unemployment rate is calculated by defining unemployment as looking for work, preparing for business, feeling impossible to get a job, and having a permanent job but not starting to work. The Open Unemployment Rate is an indicator used to measure labor not absorbed by the labor market and illustrates the underutilization of labor supply. The Open Unemployment Rate results of Sakernas August 2021 in Palembang increased to 10.11 percent. This means that out of 100 people in the labor force, are about 10 unemployed. When compared to the August 2020 period, this proportion has increased by 0.25 percentage points.

The absorption of the labor force in the current jobs is still lacking because there is still open unemployment. So that the community is expected to build their own business. Job training centers at the Manpower Office or the Cooperatives, Micro, Small and Medium Enterprises (MSMEs) Office need to be maximized so that it is expected to improve the workforce's skills to become entrepreneurs. In theory, the relationship between the existence of Micro and Small Enterprises (MSEs) and poverty in an area can be positive in the sense of the existence of MSEs because there is poverty, while negative means that poverty is reduced due to the existence of MSEs (Tambunan, 2012).

Despite the significant increase in economic growth, the persistence of poverty levels remains unchanged. So, this study aims to identify whether the level of education, labor force participation, health, and economic growth can contribute to the level of poverty and unemployment in Palembang City. In addition, this study also aims to formulate an integrated and sustainable model of poverty reduction and reduce unemployment in Palembang City.

2. Methods

The study used a concurrent mixed research method combining qualitative and quantitative research. Furthermore, the method strategy is research combining quantitative and qualitative data at one time. There are three strategies in this concurrent mixed method strategy, namely:

1. Concurrent triangulation strategy. In this strategy, researchers collect quantitative data and qualitative data at the same time at the research stage, then compare qualitative data with quantitative data to find out differences or combinations.
2. Concurrent embedded strategy. This strategy is almost the same as the concurrent triangulation model because both collect qualitative and quantitative data simultaneously. The difference is that this model has a primary method that guides the project and secondary data that has a supporting role in each research procedure. Secondary methods that are so dominant (be they qualitative or quantitative) are embedded into more dominant methods (qualitative or quantitative).

The population in this study was determined based on the number of people with productive age, namely 1,143,754 years old and 1,143,754 people in Palembang City in 2021. The data collection techniques needed in this study are questionnaires distributed to the community by purposive random sampling of 215 informants and Focus Group Discussion (FGD) with relevant stakeholders in Palembang City in November 2022.

In addition to conducting surveys to collect data and information, literature studies and related regulations are also carried out. After the data collection results are obtained, they will then be discussed with consumers for presentation of study results for adjustment and additional input. The data to be collected and inventoried are maps and physical field data. At this stage, an examination of the completeness of each map and its relationship with field condition data is carried out, which is indispensable in the planning process.

3. Results and Discussion

3.1. Overview of Poverty in Palembang City

Palembang City is below the poverty level of South Sumatra Province and is ranked 5th among regencies/cities in South Sumatra, with a total of 194,120 poor people. However, the percentage of poor people in Palembang City increased in 2021 to 11.34 percent compared to the previous year, which was 10.89 percent. The following examination illustrates the observed pattern of variations in the poverty rate in Palembang concerning the province of South Sumatra and the national average, as depicted in [Figure 1](#).

The increase in the number of poor people in 2021 is thought to be influenced by the COVID-19 pandemic. As the backbone of many families, the head of the household is laid off or laid off, so it is difficult to find a new job. In order to help meet economic needs, wives who were originally not working began to enter the workforce to help earn income, resulting in more residents entering the Labor Force in 2021. The figure presented below, [Figure 2](#), demonstrates the percentage of individuals aged 15 years and above living in poverty in Palembang City throughout 2017-2021, as reported by most activities.

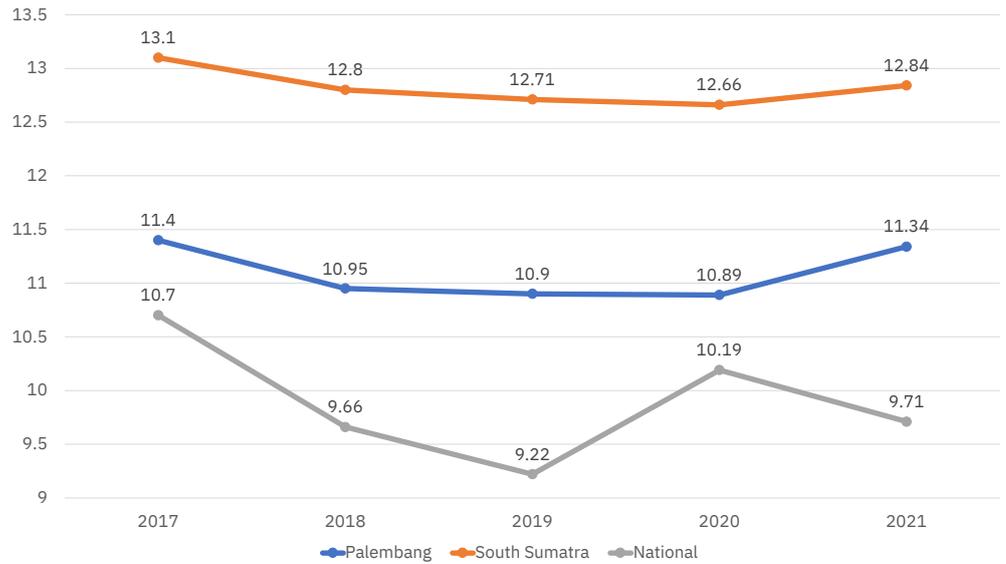


Figure 1. Percentage of Poor People in Palembang

Source: BPS-Statistics Indonesia (2022)

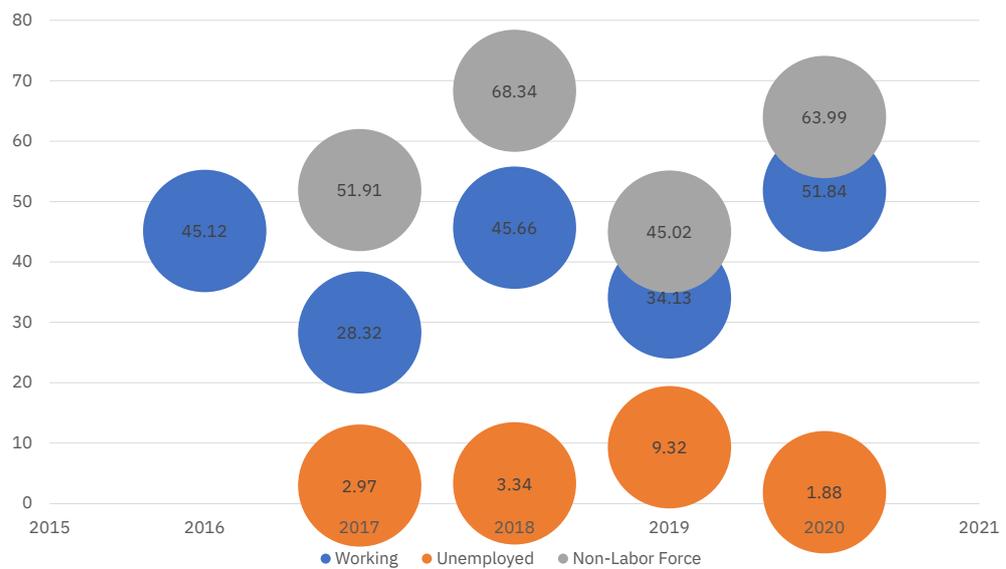


Figure 2. Percentage of Poor People Aged 15 Years and Over in Palembang by Most Activities

Source: BPS-Statistics Indonesia (2022)

Furthermore, the poor in Palembang City work the most in the service and trade sectors (70.2 percent), manufacturing industry (27.1 percent), and agriculture (2.7 percent). Most poor people only work as laborers/employees and manual laborers. The type of work carried out includes transport workers in the market, construction workers, motorcycle taxi drivers, and the like. The data shown in Figure 3 exhibits the proportion of individuals aged 15 years and above who are classified as being poor and engaged in employment within Palembang City throughout the year 2021.

Poverty is a complex and varied topic in various conceptual approaches. Research on poverty shows high ambiguity in economic theory, which results in various definitions and perspectives, thus identifying different groups of poor people (Ravallion & Chen, 2017). A commonly used definition is the lack of fulfillment of basic human needs. On the other hand, poverty can also be defined as the lack of

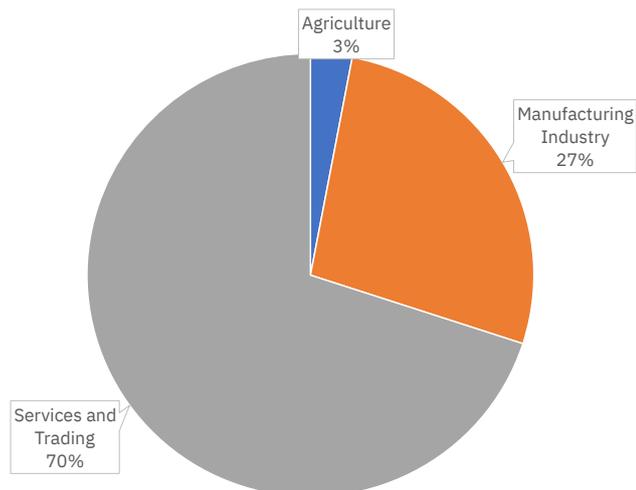


Figure 3. Percentage of Poor People Aged 15 Years and Over Working in Palembang by Employment

Source: BPS-Statistics Indonesia (2022)

resources, monetary or non-monetary, sufficient to obtain the minimum income or consumption necessary to sustain a livelihood. Globally, poverty is often thought of as the opposite of well-being (Yassine & Bakass, 2022). This calculation of poverty is largely focused on the economic value of one's spending (Mansi et al., 2020).

3.2. Unemployment in Palembang City

The unemployment rate in Palembang City in 2021 was 10.11 percent, which experienced a significant increase from 2020, which was 9.86 percent. This indicates a decrease in employment in the job market, where the number of job seekers has also increased from 1,407 people in 2020 to 1,665 people in 2021. This unemployment rate includes those looking for work, preparing for business, finding it impossible to get a job, and having found a permanent job but not working. Considering the direction of development of the high rate of open unemployment, the number of poor people has an opportunity to eliminate open unemployment and reduce poverty, which in turn improves people's welfare (Saksono, 2012). The devastating effects of unemployment on individuals, families, and communities which can lead to poverty and widen income inequality (Thompson & Dahling, 2019).

Unemployment refers to people who are unemployed and actively looking for work of working age, and to measure the unemployment rate in a country, a percentage of the total labor force is used (Priambodo, 2021). The Open Unemployment Rate is an indicator used to measure labor not absorbed by the labor market and illustrates the lack of absorption of labor supply. The Open Unemployment Rate result of Sakernas in August 2021 was 10.11 percent. This means that out of 100 people in the labor force, are about 10 unemployed. In August 2021, The Open Unemployment Rate increased by 0.25 percentage points compared to August 2020.

In August 2021, the Open Unemployment Rate for men and women was 10.11 percent. The Men's Open Unemployment Rate in August 2021 decreased by 3.92 percentage points, while women's Open Unemployment Rate decreased by 5.62 percentage points compared to August 2020. Figure 4 depicts the observed upward trend in the open unemployment rate, categorized by gender and shown as a percentage, over the period spanning August 2019 to 2021.

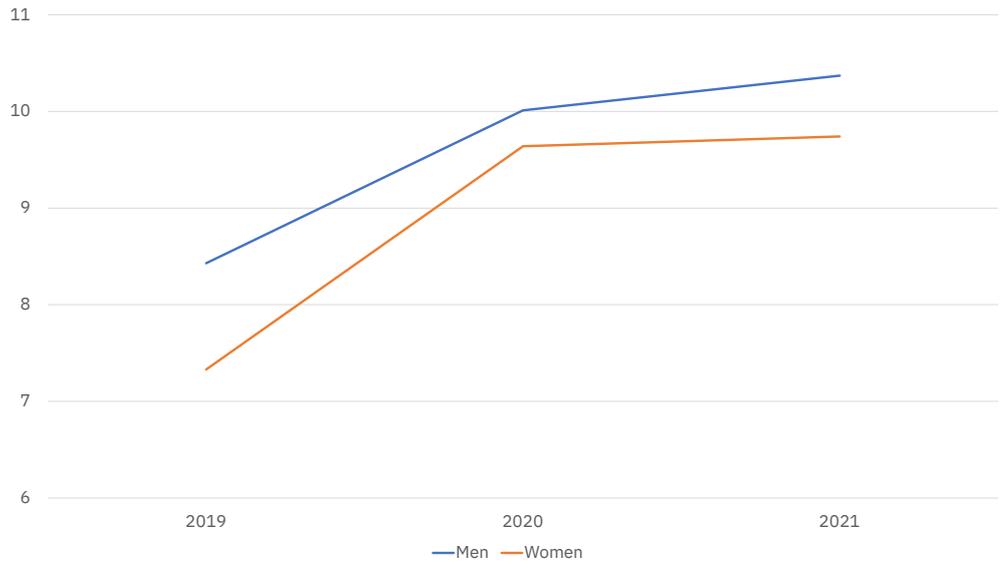


Figure 4. Open Unemployment Rate Trend by Gender

Source: BPS-Statistics Indonesia (2022)

The Open Unemployment Rate by education category in August 2019-August 2021 fluctuated. Compared to August 2020, The Open Unemployment Rate that experienced a decrease were those who had not graduated from elementary school (2.78 percentage points), had junior high school diplomas (0.51 percentage points), and vocational high schools (1.73 percentage points). Meanwhile, the increase in The Open Unemployment Rate occurred in those who graduated from Senior High School (0.85 percentage points), Diploma I/TI/III (3.19 percentage points), and University (1.2 percentage points). The visualization below provides the open unemployment rate in Palembang City categorized by education from August 2019 to August 2021.

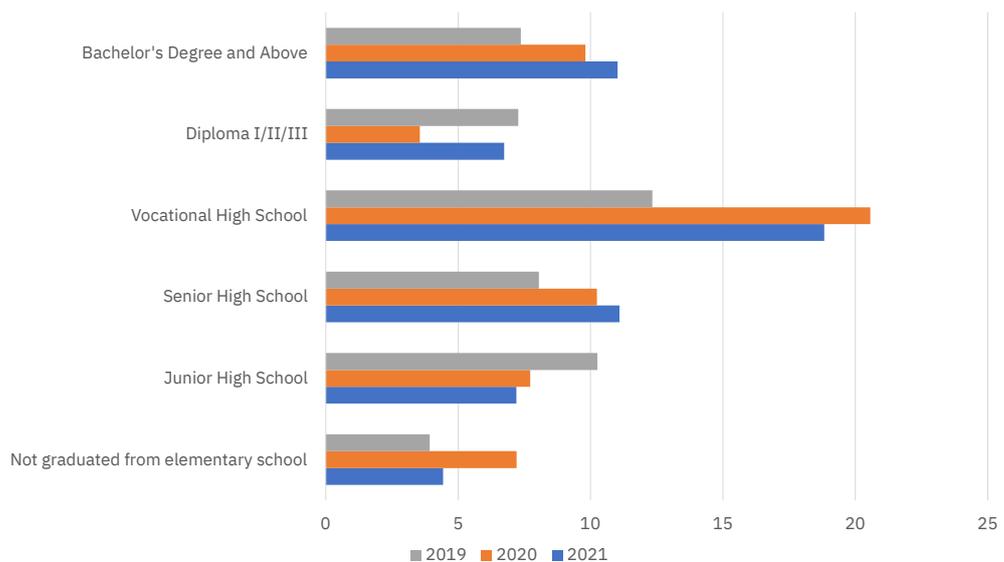


Figure 5. Open Unemployment Rate by Education Category

Source: BPS-Statistics Indonesia (2022)

3.3. Linkage Between Education Level and Poverty and Unemployment

As many as 57 percent of 215 informants strongly agreed that the level of education plays a role in the occurrence of poverty and unemployment in Palembang City. This correlation demonstrates a negative relationship between educational attainment and poverty and unemployment rates, as shown in Figure 6. Conversely, the lower the level of education, the higher the level of poverty and unemployment. Education plays an important role in reducing poverty (De Silva & Sumarto, 2018). Education is a way to improve the quality of human resources so that one's knowledge will increase and be useful for learning skills that are useful in the world of work. Thus, the existence of education can be said to be a form of transformation to reduce poverty and unemployment. High unemployment and the unavailability of extensive employment lead to low-income incomes that will lead to an increase in poverty (Arifuddin et al., 2023). Anticipation efforts need to be made as early as possible to prevent a spike in extreme poverty by investing in human development, such as education, health, nutrition, and social protection (Gunawan et al., 2022).

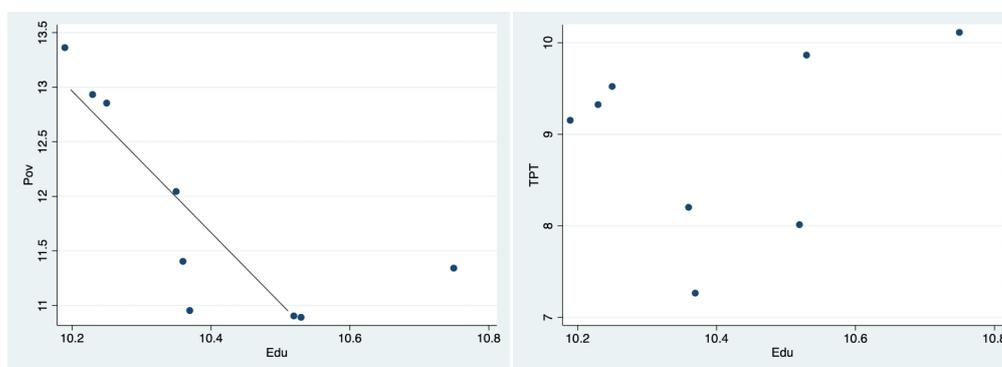


Figure 6. Linkage Between Education Level and Poverty and Unemployment

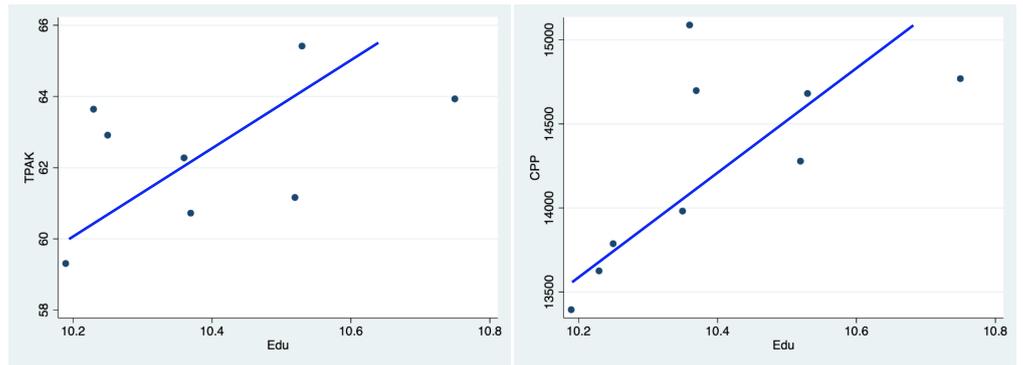
Source: BPS-Statistics Indonesia (2022)

3.4. Linkage Between Education Level and Employment and Income

As many as 54.9 percent of informants said they strongly agreed that the level of education plays a role in a person's job and income, so it will play a role in the level of income and social status of the community. A high level of education will reduce inequality, poverty, and unemployment because it can increase productivity and improve employment opportunities with better wages. Thus, it can be concluded that someone with a high level of education will be able to produce goods and services optimally to get optimal income. Figure 7 helps picture those linkages. Education is also believed to be a contributing factor in increasing unemployment and poverty rates (Fitri, 2022). This failure in the education system leads to low human resource capabilities.

Furthermore, 54.9 percent of informants strongly agreed that education levels would contribute to poverty and unemployment. Education can reduce poverty, improve quality of life, and realize community welfare (Kurniawan, 2018). Poverty is basically very closely related to meeting the needs of education (Haliim, 2016). The more highly educated people are, the less unemployment will decrease, the higher job opportunities, and in the end, the poverty rate will be lower. Human development is important in poverty alleviation and welfare improvement; economic, social, and environmental aspects focus on balancing intragenerational well-being and maximizing well-being (Sunardi et al., 2022). The importance of education in

Figure 7. Linkage Between Education Level and Employment and Income



Source: BPS-Statistics Indonesia (2022)

eradicating poverty and encouraging social mobility (Lee, 2021). Higher education may not increase human capital in a short period of time, but it is considered a major driver of economic growth (N. S. S. Abdullah et al., 2022).

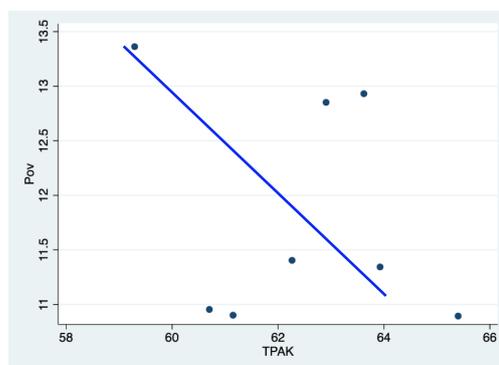
3.5. Labor Force Participation Rate

Palembang City in 2022 shows that the labor force in Palembang City in August 2021 was 832,803 people, a decrease of 6,514 people compared to August 2020 of 838,317 people. In line with this decline, the Labor Force Participation Rate also fell by -1.48 percentage points to 63.93 percent. Of the total labor force, 90.14 percent of them are working residents.

Based on the results of the questionnaire that has been distributed, information was obtained on the labor force participation rate as a factor that can play a role in poverty and unemployment rates. As many as 46.3 percent of informants strongly agreed that a higher Labor Force Participation Rate indicates that there are still job opportunities, but on the contrary, the lower Labor Force Participation Rate indicates the small job opportunities available in Palembang City. Thus, indirectly, the high and low Labor Force Participation Rate plays a role in the level of one's income.

Based on the explanation above, it can be affirmed that the labor force participation rate can play a role in poverty and unemployment. A higher Labor Force Participation Rate will show the magnitude of opportunities or job opportunities available, but on the contrary, a lower Labor Force Participation Rate will indicate the small opportunities or opportunities available, thus impacting economic activities and contributing to poverty and unemployment levels. This relationship appears in Figure 8. Another linkage can be seen in the higher wage value, causing many people

Figure 8. Linkage Between Labor Force Participation Rate and Poverty Rate



Source: BPS-Statistics Indonesia (2022)

to enter the job market and indirectly increase the Labor Force Participation Rate. However, the decline in Labor Force Participation Rate in a region causes a decrease in per capita income and consumption levels that affect economic growth. On the other hand, the level of education will always be related to the Labor Force Participation Rate because the higher the level of education, the more time is provided for work. Thus, it can be said that the low Labor Force Participation Rate is influenced by working-age residents who are not included in the labor force, namely residents who are undergoing education and who are at home.

The results of interviews with informants found that the labor force participation rate plays a role in poverty and unemployment levels. The higher Labor Force Participation Rate indicates an increase in the tendency of the productive age population (15-64 years) to find and carry out economic activities more easily. When a large workforce is balanced with extensive employment, production will increase, which will impact economic growth. This workforce is one of the drivers of economic growth to alleviate poverty and reduce unemployment. High unemployment rates can hinder economic development (Rashid, 2019).

3.6. Economic Growth

Economic growth is one of the most important indicators in assessing the performance of an economy. Economic growth shows the extent to which economic activity can produce added value or public welfare in a certain period. Economic growth shows how economic activity can produce added value or public welfare in a certain period. Economic growth of a country or region that continues to show improvement illustrates that the economy of the country or region is developing well (Ishak, 2018). Increasing economic growth indicates that more workers will be absorbed into employment. Thus, more labor absorbed will result in reduced unemployment and decreased poverty (Suharianto & Lubis, 2022).

In this study, as many as 64.7 percent of informants strongly agreed that increasing a region's economic growth can overcome poverty and unemployment because it can create job opportunities for its people. Economic growth plays a role in poverty and unemployment. Human capital includes having a significant positive influence on economic growth, so consistent efforts in increasing human capital through education, health, and work productivity are needed to achieve sustainable economic growth (H. Abdullah, 2014). Increasing a region's economic growth can overcome poverty and unemployment because it can create job opportunities for its people. Good economic growth in a region depends on the quality of human resources, especially education and health, which play a role in the population's

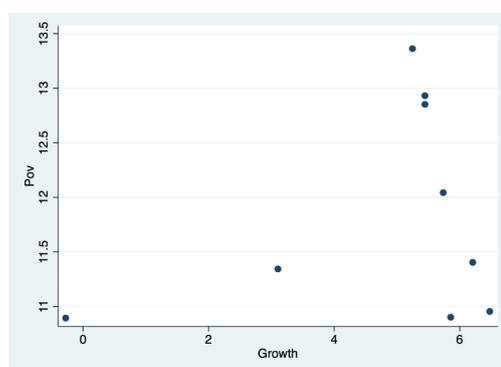


Figure 9. Linkage Between Economic Growth and Poverty

Source: BPS-Statistics Indonesia (2022)

welfare. Economic growth contributes to the poverty level, so it is expected that the government can increase income and economic equalization of results to all groups of society. Therefore, based on the illustration presented in [Figure 9](#), it may be posited that economics influences the extent of individuals' well-being. Increasing economic growth will attract more and more workers into employment. Thus, when a lot of labor is absorbed, it will result in reduced unemployment and decreased poverty ([El Adawiyah, 2020](#); [Groshen, 2020](#)).

3.7. Health

Health can play a role at a person's functional level, in terms of physiological, psychological, and sociocultural dimensions. Like education, health is an investment to support economic development and is important in poverty reduction efforts. Poverty and health are inseparable. Poor health can lead to decreased productivity and deplete household savings, ultimately reducing the quality of life and creating poverty. In addition, the poor, in turn, are exposed to greater personal and environmental risks, malnutrition, and low ability to access health facilities.

In this study, as many as 70.6 percent of informants strongly agreed that good health can increase productivity and the workforce in the community. In addition, as many as 53.7 percent of informants said they strongly agreed that the economic level plays a role in a person's health. Then, as many as 51.4 percent of informants said they strongly agreed that poor health quality is influenced by poverty and unemployment rates in a region. Also, 55.5 percent of informants strongly agreed that compromised health causes people to be unable to work, leading to unemployment and poverty.

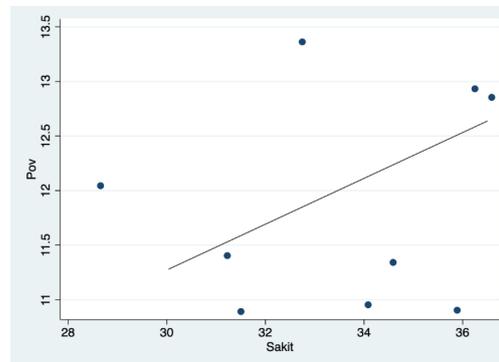


Figure 10. Linkage Between Illness Vulnerability and Poverty

Source: BPS-Statistics Indonesia (2022)

Based on the explanation above, it can be affirmed that health plays a role in poverty and unemployment. Good health can increase productivity and the workforce in the community. In addition, poor health quality is influenced by poverty and unemployment rates in a region. Thus, impaired health causes a person to be unable to work, causing unemployment and poverty. Individuals who live in poverty and without employment might risk a higher vulnerability to disease due to their limited ability to uphold optimal health conditions, as illustrated in [Figure 10](#). Thus, it can be said that the level of welfare of the community is influenced by the health of the community.

People at risk of poverty are the most vulnerable to declining health and nutrition, which is affected by low incomes ([Erlyn et al., 2022](#)). Workers' health and nutritional status affect the community's productivity. In this case, it is reflected in his body's

resistance to work effectively and efficiently. So that good health can increase productivity and employment in the community to carry out their respective economic activities. Poverty has a negative correlation with health, where an increase in poverty rates can reduce the achievement of health outcomes. A country needs to have quality human resources that can be used to build and generate prosperity for the country (Erlyn et al., 2021). Increasing government spending on education and health will encourage the improvement of the quality of human resources to increase the ability of the community, especially productive community groups, to access the job opportunities created (Efrianti et al., 2018).

3.8. Integrated and Sustainable Model as a Form of Strategy to Reduce Poverty and Reduce Unemployment in Palembang City

Based on the existing conditions of poverty and unemployment in Palembang City, it can be identified that four factors play a role in the occurrence of poverty in Palembang City, namely:

1. Education level;
2. Economic growth;
3. Health; and
4. Labor Force Participation Rate.

Overall, of these four factors, the level of education can be said to be the main factor that can trigger poverty if the quality is not considered. The relationship between these four factors can indirectly cause poverty and unemployment in Palembang City if not resolved quickly. Thus, to overcome poverty and reduce unemployment in Palembang City, innovation and implementation of programs to address the problem of poverty and unemployment are needed. The existence of poverty and unemployment reduction strategies and programs in Palembang City is expected to foster independence, development, and welfare at the level of the lower class of society.

As a form of effort to reduce poverty and unemployment in Palembang City, several strategies can be formulated to solve problems related to poverty and unemployment in Palembang City. The strategy in question is as follows:

1. Improve the quality of management and monitoring system to evaluate poverty reduction programs and reduce unemployment in Palembang City. This involves careful planning, good resource management, and effective stakeholder coordination. The city government should develop strong management capacity through training and education for staff implementing these programs. Good management will ensure proper resource allocation, careful monitoring, and effective follow-up.
2. Improve communication, information, and education to the public about street social problems and efforts to overcome them. Effective communication plays an important role in creating awareness and understanding among the public about social street issues. It involves disseminating information through various channels such as mass media, social media platforms, community meetings, and public forums, and providing accurate and up-to-date information on street social issues is essential to counter misconceptions and misunderstandings.
3. The involvement of the Village and District Governments in overcoming poverty and unemployment problems in Palembang City. Village and District governments have direct access to the community at a more local level, can collect data and

map resources available in their areas, and design and implement poverty and unemployment reduction programs at the local level. By understanding the real conditions at the local level, they can plan and implement programs that suit the local community's needs. By understanding the available resources, they can direct poverty and unemployment reduction efforts more effectively and efficiently. Village and District governments can design and implement poverty and unemployment reduction programs at the local level.

4. Increasing Multi-Party Cooperation Network in Overcoming Street Social Problems and Poverty in Palembang City. City governments should take a leadership role in building multi-stakeholder cooperation networks. They can initiate meetings, discussion forums, or working groups involving various stakeholders, such as local government agencies, educational institutions, NGOs, the private sector, and civil society. The government can also provide a formal platform or mechanism to coordinate and share information between relevant parties.
5. Provision of educational scholarship programs for poor families at the primary and secondary education levels through the utilization of operational costs. Educational scholarship programs can be maximized through the utilization of existing operational costs. Operational costs usually allocated for school administrative and operational purposes, such as electricity, water, consumables, and facility maintenance, can be reduced or diverted to support the scholarship program. In this case, cooperation between local governments and schools is essential to ensure appropriate and effective allocation of funds. Clear and transparent selection criteria need to be established to ensure that the education scholarship program is directed to poor families in need. These criteria may include family income level, level of economic need, student academic performance, or other special conditions. The selection process should be fair, open and non-discriminatory.
6. Empowerment of social welfare institutions through increasing the active role of the community and the business world. Communities are important in identifying, planning, and implementing social welfare programs. The government can encourage active community participation by involving them in decision-making, public consultations, and program development. Communities can also be encouraged to form self-help groups that can work together with the government in implementing social welfare programs.
7. Developing and implementing the Science Techno Park concept to realize economic growth and reduce unemployment in Palembang City. Science Techno Park is an innovation and research center encouraging collaboration between universities, research institutions, and the business sector. With the Science Techno Park, Palembang City can become a place to develop new knowledge and technology that can positively impact economic growth. This center will be the center of research and development activities involving various industrial sectors. Science Techno Park can be a platform for empowering human resources in Palembang City. The Science Techno Park can provide training, internship programs, and employment opportunities for graduates and local communities through collaboration with universities and educational institutions. This will improve the skills and knowledge of the community and help reduce unemployment.

4. Conclusion

Education level, labor force participation rate, economic growth, and health can contribute to poverty and unemployment in Palembang City. Of the four factors, it can be known that the most dominant factor is the level of education as the main factor that plays a role in poverty and unemployment. This indicates that education, unemployment, and poverty have a huge interrelationship. A good education gives individuals the skills and knowledge needed to obtain decent work and increase productivity. Education has a major role in reducing poverty and unemployment, so it is important to invest in education. Investments in education, including improvements in access to and quality of education, can help address the problems of poverty and unemployment by providing individuals with better opportunities for decent work. In addition, education also plays a role in reducing social and economic disparities, promoting social mobility, and fostering sustainable economic growth.

Recommendations that can be made by prioritizing poverty and unemployment alleviation in Palembang City are creating synergy and integration between policies and institutions. It aims to align programs with factors affecting poverty and unemployment, such as education, economic growth, health, and labor force participation. Innovation and implementation of programs supported by regulations/policies and institutions are needed to deal with these problems involving related OPDs and the community. Program optimization and budget support are needed to address extreme poverty in certain sub-district locations. Target data for extremely poor families must be determined through village deliberations. It is also necessary to develop programs and budgets in Local Government Work Plans to accelerate the elimination of extreme poverty. Increasing people's income through access to jobs and basic infrastructure and support for MSMEs must also be carried out. Promoting budget convergence and program consolidation are considered important strategies to improve the effectiveness and efficiency of public spending in a coordinated manner.

Acknowledgment

The author would like to express his appreciation for the kindness and participation of the supervisor in writing this scientific paper, especially to Dr. Bachtari Alam Hidayat, M.Si, and Dr. Herie Saksono, M.Si.

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