

Analysis of Several Factors Influencing the Level of Community Welfare in Bangkalan Regency

Analisis Beberapa Faktor Yang Mempengaruhi Tingkat Kesejahteraan Masyarakat di Kabupaten Bangkalan

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ABSTRACT

The level of community welfare in Bangkalan Regency shows poor conditions, as evidenced by the HDI ranking in the 2nd lowest position in the province of East Java. This shows the need for improvement. This study aims to identify and analyze the factors that influence the level of community welfare in Bangkalan Regency. The study uses the variables Gross Regional Domestic Product, District Minimum Wage, and Open Unemployment Rate. It uses secondary data from time series data for ten years (2012 until 2022) obtained from the BPS Office of East Java Province and the BPS Regency of Bangkalan. The analysis tool used is multiple linear regression using E-Views 12 software. The study results show that the Gross Regional Domestic Product has a negative and no significant effect on the level of community welfare in Bangkalan Regency. The District Minimum Wage has a positive and considerable influence on the level of community welfare in Bangkalan Regency. The open Unemployment Rate has a positive and insignificant effect on the level of community welfare in Bangkalan Regency.

Keywords: Community Welfare Level, Gross Regional Domestic Product, District Minimum Wage, Open Unemployment Rate.

ABSTRAK

Tingkat Kesejahteraan Masyarakat di Kabupaten Bangkalan menunjukkan kondisi yang buruk dibuktikan dengan nilai IPM menempati posisi ke-2 terendah se-Provinsi Jawa Timur. Hal ini menunjukkan diperlukan adanya perbaikan. Penelitian ini bertujuan untuk mengetahui dan menganalisis faktor-faktor yang mempengaruhi tingkat kesejahteraan masyarakat di Kabupaten Bangkalan. Penelitian menggunakan variabel Produk Domestik Regional Bruto, Upah Minimum Kabupaten, dan Tingkat Pengangguran Terbuka dan menggunakan data sekunder berupa data time series selama 10 tahun (2012 hingga 2022) yang diperoleh dari BPS Provinsi Jawa Timur dan BPS Kabupaten Bangkalan. Alat analisis yang digunakan berupa regresi linier berganda dengan menggunakan software E-Views 12. Hasil dari penelitian menunjukkan bahwa Produk Domestik Regional Bruto memiliki pengaruh negatif dan tidak berpengaruh signifikan terhadap tingkat kesejahteraan masyarakat di Kabupaten Bangkalan, Upah Minimum Kabupaten memiliki pengaruh positif dan signifikan terhadap tingkat kesejahteraan masyarakat di Kabupaten Bangkalan, Tingkat Pengangguran Terbuka memiliki pengaruh positif dan tidak signifikan terhadap tingkat kesejahteraan masyarakat di Kabupaten Bangkalan.

Kata Kunci: Tingkat Kesejahteraan Masyarakat, Produk Domestik Regional Bruto, Upah Minimum Kabupaten, Tingkat Pengangguran Terbuka.

1. Introduction

Welfare is a condition of fulfilling each individual's material and spiritual needs. To achieve prosperity, the government makes various policies in development efforts. Todaro said that development is a multidimensional process involving fundamental changes in social structures, community attitudes, national institutions, economic growth, and poverty alleviation. Development is economic growth coupled with development. The development in question is

the development of education, health development, technological development, infrastructure expansion, and also the addition of income and community prosperity (Todaro, 2014).

The United Nations Development Programme (UNDP) has formulated that the Human Development Index (HDI) is an indicator to measure the success of development and community welfare in a region (Ndakularak E., Nyoman Djinar Setiawina, 2014). The Human Development Index is used to measure the success of development and welfare of a country or region based on three dimensions, namely: health level, education level, and a decent standard of living. To measure the level of education using the average length of schooling and the expected length of teaching, the level of health using life expectancy, and the standard of living decent using per capita income. These three dimensions are interconnected, and HDI can be influenced by factors such as Gross Regional Domestic Product, District Minimum Wage, and Open Unemployment Rate (Nawarti Bustaman, 2021).

The Human Development Index is the process of increasing a person's ability to develop opportunities and choices for the population (Susilo, J. H., Kholilurrohman, M., & Hasan, 2020). To achieve prosperity, one of the conditions that must be met is to improve the quality of life of each individual through complete human development (Sholekhah, 2018). According to The United Nations Development Programme, human development places people not only as inputs of action but as the ultimate goal. Therefore, the primary purpose of development is to enjoy longevity, healthy life, and live productively as the three essential components of the Human Development Index (Fanny Fibrian, 2018).

Table 1. HDI Ranking of Districts/Cities in East Java Province in 2021

Ranking	City/County	HDI	Rangking	City/County	HDI
1	Surabaya City	82,31	20	Banyuwangi	71,38
2	Malang City	82,04	21	Ponorogo	71,06
3	Madiun City	81,25	22	Blitar	71,05
4	Sidoarjo	80,65	23	Ngawi	71,04
5	Blitar City	78,98	24	Malang	70,60
6	Kediri City	78,60	25	Trenggalek	70,06
7	Mojokerto City	78,43	26	Bojonegoro	69,59
8	Gresik	76,50	27	Pasuruan	68,93
9	Batu City	76,28	28	Tuban	68,91
10	Pasuruan City	75,62	29	Pacitan	68,57
11	Magetan	74,15	30	Situbondo	67,78
12	Mojokerto	74,15	31	Jember	67,32
13	Probolinggo City	73,66	32	Sumenep	67,04
14	Jombang	73,45	33	Bondowoso	66,59
15	Tulungagung	73,15	34	Pamekasan	66,40
16	Lamongan	73,12	35	Probolinggo	66,26
17	Kediri	72,56	36	Lumajang	66,07
18	Nganjuk	71,97	37	Bangkalan	64,36
19	Madiun	71,88	38	Sampang	62,80

Source: BPS East Java, 2021.

Bangkalan Regency is located in East Java Province, precisely on Madura Island. Bangkalan Regency is one of the areas included in the National Strategic Area Gerbangkertosusila. However, in general, the Community Welfare Level in Bangkalan Regency based on Human Development Index values is low, as shown in Table 1.1 above, which is 64.36% in 2021. The Human Development Index of Bangkalan Regency occupies the number 2 most down position in East Java Province. The HDI of Bangkalan Regency is far adrift from the HDI of East Java Province, which was 72.14% in 2021.

According to (Mankiw, 2018), Gross Domestic Product is the single best measure of the welfare of society. Gross Domestic Product is identical to Gross Regional Domestic Product if GDP reaches the entire country and GRDP reaches only provincial and district/city areas. GDP / GRDP is closely related to the level of public welfare. With a large GRDP, it can help people to live better lives. Sites that have large GRDPs can provide better health care and education systems. GRDP has a positive influence on the level of community welfare. A high GRDP will undoubtedly increase job opportunities and improve people's income. If people's income rises, it will be followed by high consumption. It indicates that an increase in GRDP can increase public welfare through an increase in HDI. Based on data from BPS East Java Province, the GRDP value of Bangkalan Regency is as follows:

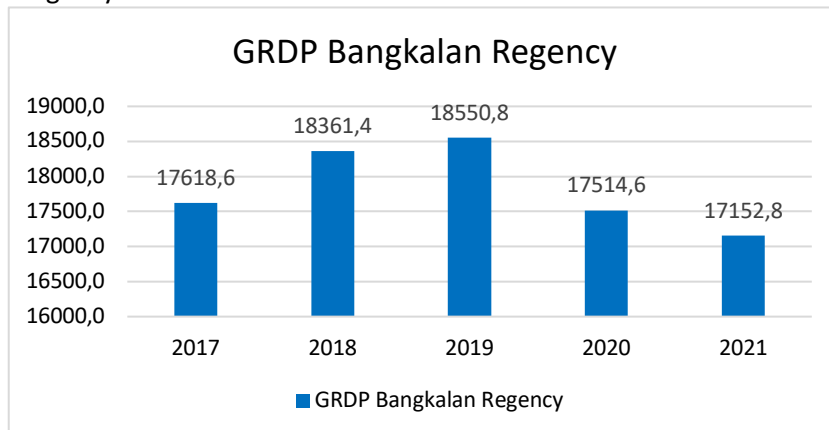


Figure 1. Gross Regional Domestic Product Bangkalan Regency

Source: BPS East Java

Based on the data above, the GRDP of Bangkalan Regency from 2017 to 2021 fluctuated. The GRDP of Bangkalan Regency increased in 2018, which amounted to 18,361.4 billion rupiahs from the previous 17,618.6 billion rupiahs in 2017. The GRDP of Bangkalan Regency also increased in 2019 by IDR 18,550.8 billion. The increase in GRDP in 2019 could not be maintained, and the COVID-19 pandemic caused a decrease from 2020 to 2021. Although there was a decrease in GRDP, this did not reduce the HDI of Bangkalan Regency. It is proven that the HDI of Bangkalan Regency in 2020 has increased until 2021, which is 64.11% in 2020 and 64.36% in 2021.

According to (Sukirno, 2019), income determines a society's prosperity. The greater the revenue obtained, the closer it will be to welfare. The intended payment is wages. Wages are a tool used by workers to meet their living needs. The government, in this case, determines the District Minimum Wage based on the needs of decent living by considering the level of productivity and economic growth (Lamijan, 2021). The size of DMW Bangkalan can be seen below:

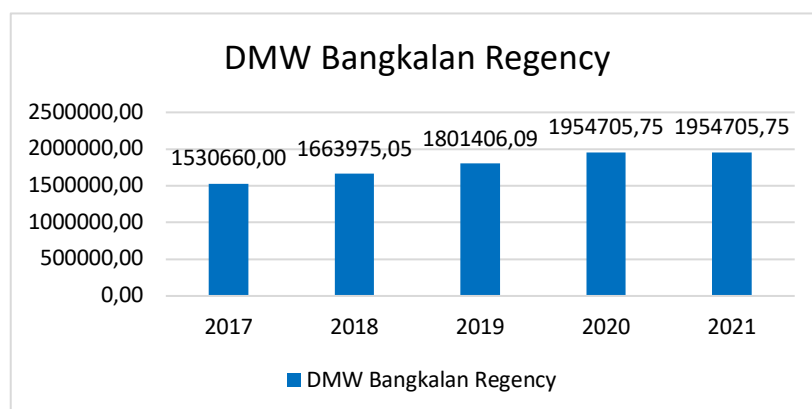


Figure 2. District Minimum Wage Bangkalan Regency

Source: BPS East Java

Based on Table 1.2, it can be seen that from 2017 to 2021, DWM in Bangkalan Regency consistently increased. In 2018 DWM in Bangkalan Regency amounted to Rp 1,663,975.05 from Rp 1,530,660.00 in 2017. This increase continued until 2021 DWM in Bangkalan Regency amounted to IDR 1,954,705.75. The rise in DWM certainly affects the level of community welfare. If the wages are significant, workers can finance their living needs to the maximum. If the salaries are small, workers will invest their living needs minimally (Jawangga, 2019).

An unemployed person has been classified in the labour force and is looking for work but does not get the job he wants. According to Sukirno, unemployment can reduce people's welfare or the level of prosperity achieved. The increase in employment opportunities is closely related to community welfare. If there is an increase in employment opportunities, it will increase national production and national income, increasing people's interest (Sukirno, 2019). TPT data in Bangkalan Regency can be presented in the graph below:

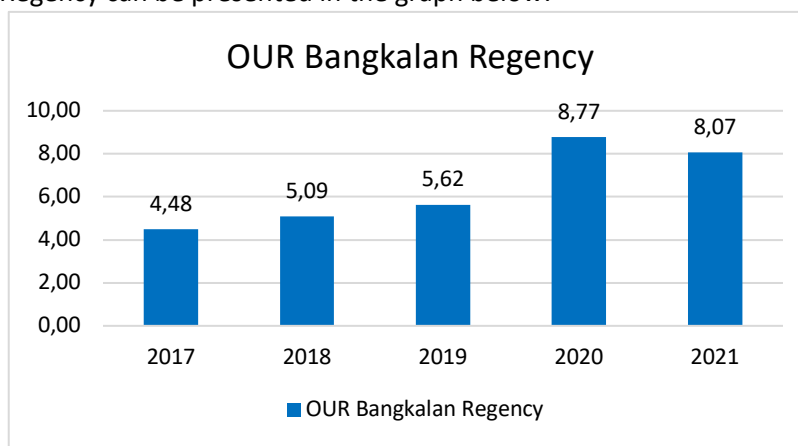


Figure 3. Open Unemployment Rate Bangkalan Regency

Source: BPS East Java

The Open Unemployment Rate in Bangkalan Regency fluctuated from 2017 to 2021. OUR Bangkalan Regency increased in 2018 by 5.09% from 4.48% in 2017. The increase in OUR in Bangkalan Regency continued until 2020, which rose rapidly by 8.77%. Then in 2021, there was a decrease, although not too much. OUR in Bangkalan Regency from 2018 to 2020 has increased, but it has not decreased the welfare of Bangkalan Regency. The level of community welfare based on the HDI value continues to grow yearly. Even though unemployment negatively affects the status of the general welfare, the increase in the number of unemployed can reduce the level of public interest (K. Sari, 2019).

Previous research by Wiwin Indrayati (2020) found that poverty and per capita expenditure are significant, while unemployment and economic growth are insignificant for people's welfare. Then the second study was conducted by Narwati Bustaman (2021), which obtained significant GRDP results, and the percentage of poor people was not significant to people's welfare. The third study was conducted by Rizki Afri Mulia (2020), which obtained the GDP results and the significant open unemployment rate. The number of poor people was not significant to people's welfare. The difference between previous and current research lies in research variables, research year, research method and research object/location. In this study, the author uses Bangkalan Regency as the object of research using Gross Regional Domestic Product (X1), District Minimum Wage (X2), and Open Unemployment Rate (X3) as independent variables. The dependent variable uses the Human Development Index (Y). The data used in this study is time series data from 2012-2021. The method used is multiple linear regression analysis with the Ordinary Least Square (OLS) model.

Welfare is the ideal of all individuals, and everyone has the right to live a prosperous life. In this case, the government has an essential role in realizing welfare for its people, including

Bangkalan Regency. Based on the last ten years, Bangkalan Regency occupies the second lowest position in East Java Province based on the human development index ranking. It indicates that there needs to be an improvement in improving the community's welfare in Bangkalan Regency. To achieve social welfare, the government makes various policies in development efforts. Development, in this case, is carried out in all fields to improve the community's welfare. Based on the description above, it can be said that the variables of Gross Regional Domestic Product, District Minimum Wage, and Open Unemployment Rate can affect the level of public welfare in a region. So the author is interested in conducting a research entitled Analysis of Several Factors That Affect the Level of Community Welfare in Bangkalan Regency.

2. Methods

This type of research uses quantitative methods with an associative approach. Quantitative research methods are coherent from the beginning to the end of the study in a systematic, structured, and planned manner. Associative research aims to determine how independent and dependent variables are related. This type of research aims to test the hypothesis and interpretation of the influence of each variable. The study was conducted in Bangkalan Regency with research time using data from 2012 to 2021. The population used in this study is the entire coverage area of Bangkalan Regency consisting of 18 sub-districts with the subjects/objects used are the Human Development Index (HDI), Gross Regional Domestic Product (GRDP), District Minimum Wage (DMW), and Open Unemployment Rate (OUR) recorded at the Central Bureau of Statistics of Bangkalan Regency and the Central Bureau of Statistics of East Java Province. In this case, the author uses a sample of the last ten years, 2012-2021. The method used in sampling this study is purposive sampling, which is a method of determining models according to specific points of view or criteria.

This research is quantitative research with data analysis methods using multiple linear regression analysis; regression is a statistical technique (analytical tool) of relationships used to forecast or estimate from one variable concerning another variable through regression line equations (Gozali, 2020b). The data used in this study are secondary data obtained from BPS Bangkalan and BPS East Java. This study used time series data. The variables used are Human Development Index (HDI), Gross Regional Domestic Product (GRDP), District Minimum Wage (DMW), and Open Unemployment Rate (OUR). The multiple linear regression analysis used in this study was done with the help of the Econometric Views (Eviews) version 12 computer program.

The test used in this study is the Classical Assumption Test to obtain a BLUE regression model. The classical assumption test consists of the Normality Test, Autocorrelation Test, Multicollinearity Test, and Heteroskedasticity Test. After the test, the Multiple Linear Regression Analysis methods are based on the standard form (Gozali, 2020a). The equation used is:

$$HDI = \beta_0 + \beta_1 GRDP + \beta_2 DMW + \beta_3 OUR + e$$

Description:

HDI : Human Development Index
 GRDP : Gross Regional Domestic Product
 DMW : District Minimum Wage
 OUR : Open Unemployment Rate
 β_0 : Constant
 β : Regression coefficient
 e : Remnant (error)

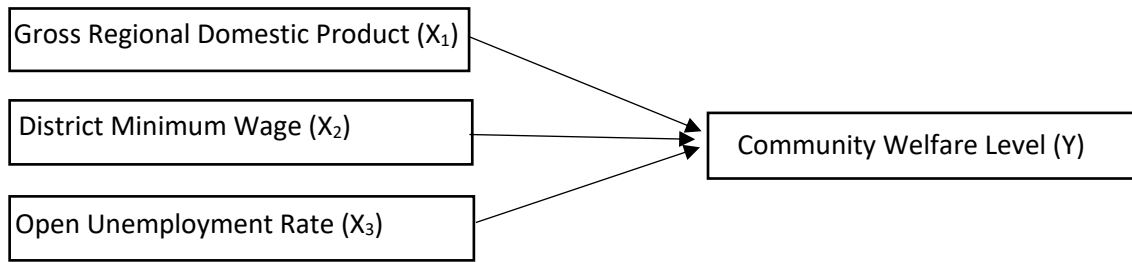


Figure 2.1 Correlation Between Independent Variables to Dependent Variables

3. Results and Discussion

Normality Test

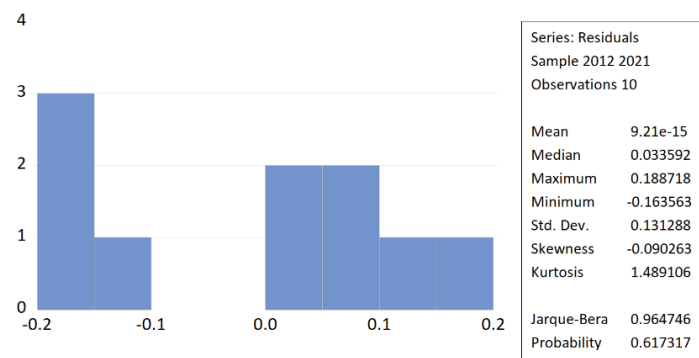


Figure 4 Normality Test (Jarque Bera)

Source: E-Views 12 (2023) data processing results.

The normality test in this study used the Jarque Berra test. Where has a provision that the data is usually distributed if the probability value is above 0.05, and based on the tests, normality test results were obtained with a Jarque Berra value of 0.964764 and a probability value of 0.617317. The probability value in the normality test is more than 0.05 ($0.617317 > 0.05$), so it can be concluded that the data is usually distributed.

Autocorrelation Test

Table 2. Durbin Watson Test (DW)

R-squared	0.993685	Mean dependent var	62.15300
Adjusted R-squared	0.990528	S.D. dependent var	1.652103
S.E. of regression	0.160794	Akaike info criterion	-0.528214
Sum squared resid	0.155128	Schwarz criterion	-0.407180
Log likelihood	6.641070	Hannan-Quinn criter.	-0.660988
F-statistic	314.7067	Durbin-Watson stat	2.440066
Prob(F-statistic)	0.000001		

Source: E-Views 12 (2023) data processing results.

The autocorrelation test is performed using the Durbin-Watson (DW) test. Based on the data processing results, the DW test value results were 2.440066. The Durbin-Watson value will be compared with the DW table with observations of 10, several independent variables of 3, and a confidence level of 0.05. So we get a d_L value of 0.5253, a d_U value of 2.0163, $4 - d_U$ of 1.9837, and $4 - d_L$ of 3.4747. Therefore, the value of Durbin Watson is between $4 - d_U$ and $4 - d_L$, which is $1.9837 \leq 2.440066 \leq 3.4747$ ($4 - d_U \leq DW \leq 4 - d_L$). Based on these results, it can be concluded that there is no autocorrelation in the regression model.

Multicollinearity Test

Table 3. Multicollinearity Test

Variance Inflation Factors
Date: 04/14/23 Time: 16:01
Sample: 2012 2021
Included observations: 10

Variable	Coefficient Variance	Uncentered VIF	Centered VIF
C	4.691904	1814.725	NA
GRDP	1.74E-08	2013.412	3.743704
DWM	9.13E-14	79.73471	4.865620
OUR	0.003572	52.08721	2.517941

Source: E-Views 12 (2023) data processing results.

The multicollinearity test determines the correlation value between independent variables (GRDP, DMW, OUR), shown based on the Variance Inflation Factor (VIF) weight. Based on the data that has been done, it was found that the value of the VIF variable of GRDP was 3.743704, DMW was 4.865620, and OUR was 2.517941 or all less than 10, which means that there is no problem with multicollinearity between independent variables in the regression model.

Heteroskedasticity Test

Table 4. Heteroskedasticity Test

Heteroskedasticity Test: Glejser
Null hypothesis: Homoskedasticity

F-statistic	4.671334	Prob. F(3,6)	0.0519
Obs*R-squared	7.002099	Prob. Chi-Square(3)	0.0718
Scaled explained SS	1.927629	Prob. Chi-Square(3)	0.5876

Test Equation:
Dependent Variable: ARESID
Method: Least Squares
Date: 04/14/23 Time: 16:04
Sample: 2012 2021
Included observations: 10

Variable	Coefficient	Std. Error	t-Statistic	Prob.
C	0.012276	0.484268	0.025350	0.9806
GRDP	3.22E-06	2.95E-05	0.109320	0.9165
DWM	1.23E-07	6.76E-08	1.814426	0.1195
OUR	-0.022165	0.013362	-1.658820	0.1482
R-squared	0.700210	Mean dependent var		0.113694
Adjusted R-squared	0.550315	S.D. dependent var		0.053608
S.E. of regression	0.035948	Akaike info criterion		-3.524286
Sum squared resid	0.007754	Schwarz criterion		-3.403252
Log likelihood	21.62143	Hannan-Quinn criter.		-3.657060
F-statistic	4.671334	Durbin-Watson stat		2.284391
Prob(F-statistic)	0.051856			

Source: E-Views 12 (2023) data processing results.

The results obtained from the heteroskedasticity test using the Glejser Test show that each variable has a probability value of 0.9165 for the GRDP value, 0.1195 for the DMW value, and 0.1482 for the OUR value, which means that all independent variables have a probability value greater than 0.05. Thus it can be concluded that the regression model does not occur heteroskedasticity.

Multiple Linear Regression Analysis**Table 5. Multiple Linear Regression Test**

Dependent Variable: HDI Method: Least Squares Date: 04/14/23 Time: 16:00 Sample: 2012 2021 Included observations: 10				
Variable	Coefficient	Std. Error	t-Statistic	Prob.
C	56.11270	2.166080	25.90518	0.0000
GRDP	-6.25E-06	0.000132	-0.047413	0.9637
DWM	4.22E-06	3.02E-07	13.94672	0.0000
OUR	0.002048	0.059765	0.034270	0.9738
R-squared	0.993685	Mean dependent var	62.15300	
Adjusted R-squared	0.990528	S.D. dependent var	1.652103	
S.E. of regression	0.160794	Akaike info criterion	-0.528214	
Sum squared resid	0.155128	Schwarz criterion	-0.407180	
Log likelihood	6.641070	Hannan-Quinn criter.	-0.660988	
F-statistic	314.7067	Durbin-Watson stat	2.440066	
Prob(F-statistic)	0.000001			

Source: E-Views 12 (2023) data processing results.

Based on the results above, the form of the regression equation obtained is as follows:

$$\text{HDI} = 56.11270 - 6.251823\text{GRDP} + 4.215065\text{DMW} + 0.002048\text{OUR} + e$$

The value of the coefficient of determination can be shown through the importance of Adjusted R^2 , in the regression model obtained an Adjusted R^2 value of 0.990528. It means that the dependent variable can be explained by the variation of the independent variable by 0.99%, and other factors outside the model explain the rest.

F Test (Simultaneous)

The F Test (Simultaneous) results show that the F_{count} value is 314.7067, and the probability value is 0.000001. Because the F_{count} value of 314.7067 is greater than the F_{table} of 4.35. Suppose the probability value of 0.000001 is smaller than the significance of 0.05. In that case, it can be concluded that Gross Regional Domestic Product, District Minimum Wage, and Open Unemployment Rate have a significant effect together (simultaneously) on the Level of Community Welfare in Bangkalan Regency.

t Test (Partial)

Based on the results of the t-test, the following decisions can be made:

1. Gross Regional Domestic Product (X_1) has a calculated value of -0.47413 and a probability value of 0.9637 or more of the significance of 0.05. The Gross Regional Domestic Product (X_1) does not significantly affect the Community Welfare Level (Y).
2. The District Minimum Wage (X_2) has a calculated value of 13.94672 and a probability value of 0.0000 or less than a significance of 0.05. The District Minimum Wage (X_2) partially affects the Community Welfare Level (Y).
3. The Open Unemployment Rate (X_3) has a calculated value of 0.034270 and a probability value of 0.9738 or more of a significance of 0.05. It means that partially the Open Unemployment Rate (X_3) has no significant effect on the Community Welfare Level (Y).

The Effect of Gross Regional Domestic Product on the Level of Public Welfare

Gross Regional Domestic Product (GRDP) has a negative and insignificant effect on the level of community welfare in Bangkalan Regency. It is because, based on the results of the regression that has been done, a negative coefficient value for the Gross Regional Domestic Product variable is -6.251823 and a significance value of 0.9637 or more than 0.05. Thus GRDP does not affect the level of public welfare. This result is in line with research conducted

(Indrayanti, 2020), which shows that the results of GRDP do not significantly affect the level of community welfare.

Gross Regional Domestic Product (GRDP) has no effect because of the uneven income distribution among the people. In addition, fluctuating economic growth statistics have a minor influence on improving community welfare in Bangkalan Regency (BPS Bangkalan Regency, 2022).

Based on the composition of the Gross Regional Domestic Product of Bangkalan Regency, the most significant contributor to Bangkalan Regency's regional income is the mining and quarrying sector (Central Statistics Agency, 2021). Mining potential in Bangkalan Regency is classified as non-metallic minerals and rocks. In addition, Bangkalan Regency has oil and gas potential spread across Konang, Sepulu, Geger, and Blega Districts. The Regional Government of Bangkalan Regency can see opportunities in effective oil and gas management to increase economic growth.

The second largest contributor is the agriculture, forestry, and fisheries sectors (Central Statistics Agency, 2021). It can be seen from the area of Bangkalan Regency, most of the agricultural areas, so it is necessary to know essential things in the concept of development related to land availability, geographical location, soil type, infrastructure, and so on. Based on these various things will affect the development and prospects for the development and development of the region.

The Effect of District Minimum Wage on the Community Welfare Level

The District Minimum Wage (DMW) has a positive and significant effect on the level of community welfare in Bangkalan Regency. It is because, based on the results of the regression that has been carried out, a positive coefficient value for the District Minimum Wage variable is 4.215065 and a significance value of 0.0000 or less than 0.05. Thus, District Minimum Wage can affect the level of community welfare. This result aligns with research conducted (by Shavira et al., 2021), which shows that District Minimum Wage's effects significantly affect the Community Welfare Level.

The Minimum Wage in Bangkalan Regency has increased yearly, except in 2021, there was no increase, and it was in the same position as in 2020. Raising the minimum wage every year will increase the need for a decent living so that there is an increase in the standard of decent living. Wages are one of the tools used to meet the requirements used by workers to improve their welfare (Sukirno, 2019). The government sets the District Minimum Wage as a social safety net to ensure wages do not decline and narrow economic disparities (Megantara, 2020). The minimum wage must meet workers' minimum living needs: clothing, food, and household (Sari, 2013).

The increase in income will impact the ease of access in terms of education, health, and the economy carried out by the community (Ningrum, 2017). Therefore, this study has proven that an increase in the District Minimum Wage can impact the Community Welfare Level, which leads to a rise in the value of the Human Development Index in the area (Faizin, 2021).

The Effect of the open unemployment rate on the Community Welfare Level

The Open Unemployment Rate (OUR) has a positive and insignificant influence on the Community Welfare Level in Bangkalan Regency. It is because, based on the results of the regression that has been carried out, a positive coefficient value for the Open Unemployment Rate variable is 0.002048 and a significance value of 0.9738 or more than 0.05. Thus, OUR does not affect the level of public welfare. This result aligns with research conducted (by Indrayanti, 2020) and (Saputra, 2020), which shows that the results of OUR do not significantly affect community welfare.

It happens because open unemployment includes the labour force that has tried to find a job but has not yet obtained it, the labour force that is preparing for a business, or the labour

force that already has a job but has not yet started working. The total population of the labour force in Bangkalan Regency is 518,065 people. Of these, 476,269 people work; the rest are open unemployed residents 41,796 (BPS Bangkalan Regency, 2022). The labour force that comes from wealthy families but is still unemployed is also included in the category of open unemployment. Even if they do not have a job or income, they can still access quality education and good health facilities and meet their basic needs. It means even though they are unemployed, they still have a quality life. It shows that unemployment is not always associated with poor levels of public welfare.

The increasing number of unemployed does not mean a decrease in welfare. Most businesses run by the Bangkalan community are engaged in agriculture or plantations (BPS Bangkalan Regency, 2022). The increase in the number of unemployed people is because some entrepreneurs in this field are considered unemployed or unemployed. It can be proven based on data on the workforce composition according to the prior employment status of Bangkalan Regency in 2021, dominated by family workers or not paid, so they are considered unemployed. However, this does not reduce the level of welfare of the community. Even though family workers are unpaid, they get the results of their efforts to meet life's needs. Then, based on data from the Central Statistics Agency in 2021, there was an increase in unemployment and welfare based on the value of the Human Development Index.

4. Conclusions

Following the problem formulation, research objectives, and data analysis results described in the previous chapter, the following conclusions can be drawn:

1. Gross Regional Domestic Product does not significantly affect the Level of Community Welfare in Bangkalan Regency for 2012-2021. The uneven influence of GRDP on the level of community welfare in Bangkalan Regency is the uneven income distribution to the community, even though there is an increase in GRDP every year. In addition, there are fluctuations in economic growth, so it has little influence on improving the welfare of the people in Bangkalan Regency.
2. The District Minimum Wage positively and significantly influences the Community Welfare Level in Bangkalan Regency for 2012-2021. The Minimum Wage in Bangkalan Regency has increased continuously every year. This increase is also expected to increase the level of community welfare. Wages are used as a means of fulfilling needs, where the impact of the rise in DMW is the ease of obtaining access to education, health, and the economy. Therefore, the increase in DMW can improve the community's quality of life, leading to an increase in HDI, which is used as a benchmark to see the extent of the Community Welfare Level in Bangkalan Regency.
3. The Open Unemployment Rate does not significantly affect the Community Welfare Level in Bangkalan Regency for 2012-2021. It is because most of the businesses run by the people of Bangkalan Regency are engaged in agriculture or plantations, so they are considered not working or unemployed. Based on data on the workforce composition according to the prior employment status of Bangkalan Regency in 2021, it is dominated by family workers or unpaid, so it is considered unemployed. However, this does not reduce the level of community welfare, although family workers and do they get the results of their efforts so that they can be used to meet their living needs.

Based on the conclusions that have been stated above, here are some suggestions for consideration:

1. Increasing the Gross Regional Domestic Product requires the role of the government in it. In addition, government intervention is also needed through fiscal policy, business licensing, MSME development, and so on to improve the economy of various sectors. The need for increased economic growth will cause people's productivity in earning

income will increase. It will enhance the process of economic development with stable economic growth and will have an impact on improving the level of Community Welfare through an increase in the Human Development Index

2. Seeing the magnitude of the influence of the District Minimum Wage on the Community Welfare Level in Bangkalan Regency, it is hoped that the government can pay attention to the set wage level so that it can improve the Community Welfare Level as measured through its Human Development Index whose average growth of the Human Development Index is still moderate and far from the value of the Human Development Index belonging to East Java Province and surrounding areas.
3. Need to increase employment opportunities and maximize labour absorption in Bangkalan Regency. This is necessary to reduce the open unemployment rate, which will later reduce the level of public welfare in Bangkalan Regency.
4. For further development in this research, we recommend: Independent variables can be added to enrich research results and provide a better picture of the object under study. The population and sample in the study need to be expanded to obtain more satisfactory results

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