Effect of Government Expenditure, Investment, Work Force on Economic Growth in the Province Jambi

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Abstract: *Indonesia's national development can not be separated from the regional development for the Republic of Indonesia (NKRI) is composed of the provinces and districts / cities and smaller areas that districts and villages. Jambi is part of one of the provinces in Idonesia.Developments Jambi growth in 2005 of 4.99%. However, in 2006 has increased very significantly, namely to 5.38%. But in 2007 and 2015 the increase is quite stable, so it can be concluded that there are factors that affect the economic growth that occurred in the province of Jambi.Besides the general economic growth that occurred in the province of Jambi can be affected by many factors including economic and workforce investment. Investment is the purchase of capital or goods which are not consumed, but used for production activities to produce goods or services of our future. Most economists consider that the establishment of the investment is an important factor responsible for the growth and economic development of a country or region. The labor force many who need jobs , but generally in both developing countries and developed countries , the population growth rate greater than the rate of growth of their employment.Therefore, many of the labor force , most are not employed or unemployed. Thus, employment and closely linked to employment for the community. More and more jobs are available in a country, the greater the employment opportunities for the population of productive age, so the smaller the rate of unemployment. Conversely, the fewer jobs in a country,the less the employment opportunities for the population of productive age. Based on the results of research and discussion conducted to analyze the Influence of Investment and labor force to economic growth of the province of Jambi period 2005-2015 it can be concluded that: From the results of analysis show that the investment and the GDP has a positive and significant impact on the labor force in the province of Jambi. It is caused by increased economic growth in Jambi Province, Based on the regression analysis, the obtained value Constants (a) -8.559 can be defined if the constant investment and the GDP of 8.559 Work Force Coefficient Value (b1) = 0.032 can be interpreted if investment rose 1 percent, the Labor force will increase by 0,032 percent , The coefficient value (b2.) = 0.524 can be interpreted if the GDP rose by 1, the Labour Force will increase by 0.524 percent, From the simultaneous test (Test F) With a confidence level of 95% or α = 0.05 was obtained F-table at 3.49 while the value of the F-count 140.833. because the value of f count larger than F-table (140.833> 3.49) means that investment and the GDP significantly influence the labor force in Jambi province with a significant level of 0.000, Based on t-test, t-test value for X1 (investments) amounted to 1.335 while for t-table with a confidence level of 95% or α = 0.05% is equal to 4.318 for t-count value is smaller than t-table (-1,335<4,318), then Ho is received and that means investment has no significant effect on the labor force in the province of Jambi. While the t-count value X2 (GDP) amounted to 14.473 for t-count is greater than t-table 14,473<4,318), then there is insufficient reason to reject Ha. which means that the GDP had a significant impact on the labor force in the province of Jambi, Based on the correlation coefficient (R) is obtained by 0.975 means that there is a close relationship between the variables of investment and the GDP of the labor force, And by testing the coefficient of determination (R2) of 0.950 obtained 95.0 percent of the variation means changes in the value of Y (Workforce) can be explained by changes in the investment variable (X1), the GDP (X2), and the remaining 5 percent are caused by factor- other factors not discussed in this study.*

Keywords*: Government Expenditure, Invesment, Work Force, Economic Growth*

I. Introduction

Development is a multidimensional process that covers a wide range of fundamental changes on the social structure, the attitudes of society and national institutions, while still pursuing economic growth acceleration, handling income inequality, and poverty alleviation (Todaro, 2006). Therefore, in essence, that development must reflect the total change in a society, or adjustment of the social system as a whole, without ignoring the diversity of basic needs and desires of the individual and social groups that are in it, to move forward toward a condition of a life of more both materially and spiritually. Indonesia's national development can not be separated from the regional development for the Republic of Indonesia (NKRI) is composed of the provinces and districts / cities and smaller areas that districts and villages. Regional development itself is an integral part and as the elaboration of national development in order to achieve the goals of development in the area. The construction area covers all regional and sectoral development activities taking place in the area

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carried out by government and society (Nugroho and Rochim Danuri, 2004). An area to be able to carry out a development and manage their own household must have financial resources alone are sufficient. This is to avoid increasing dependence on central government for local or regional level it. According Suhartanto and Kusdibyo (2005), the readiness of the local government and its agencies are not limited to the preparation of natural resources management, but also in the form of policies that could encourage the growth of existing businesses in the region so as to attract investment to their regions. The success of local governments to create and implement policies that encourage business activities in the region, will bring many benefits for the local governments and communities in the area. For local government, the activity is a source of earned income from taxes. As for the general public, the success of these investments will absorb attract jobs and of course improve the welfare of the community.

Several indicators of the level of prosperity has been developed on the basis of observing the pattern of public welfare gap between regions. At first, the study of the welfare gap between regions generally use the average economic output per capita as a proxy to the level of welfare in the region.Critics of the use of these indicators is related to the issue of uncertainty or uncertainty of the relationship between the economic output of an area with a level of social welfare of the region. An area has output high economy, but the level of social welfare that region may be low. Every region in carrying out its construction expect high economic growth accompanied by equity, thereby increasing the well-being and quality of life in society. The success of the economic development of an area can be seen from the level of welfare of society characterized by increased consumption due to the increased revenues. In fact, the field was never achieved even distribution of social welfare caused internal problems such as the existence of income inequality between people, regional disparities and economic disparities.While external problems eg competition between regions, both inter-regional and national levels. Simon Kuznets (1955) argued that in the early stages of growth, the distribution of income or welfare tends to deteriorate, but at the later stage it will improve. Some of the reviews relate the worsening distribution of income in the early stages of development with the basic conditions that are structural changes. Early stages of growth will be concentrated in the modern industrial sector.At this stage, limited employment opportunities, but the level of wages and comparatively high productivity. Unequal distribution of income between the modern industrial sector with a traditional agriculture sector will initially widen fast before eventually narrows back. Here below Data singer Economic growth in Jambi:

Table 1.1 .Year Growth 2005-2015 Jambi Province Basic differences Constant prices (000)

Year	GDP	Growth (%)
2005	11.343,279	4,99
2006	11.953,885	5,38
2007	12.619,972	5,57
2008	13.363,621	5,89
2009	14.275,161	6,82
2010	15.297,816	7,16
2011	16.274,907	6,38
2012	17.470,653	7,34
2013	18.962,396	8,54
2014	20.373,533	7,44
2015	21.979,28	7,88
Avarage		16,09

Can be seen from the table above developments Jambi growth in 2005 of 4.99%. However, in 2006 has increased very significantly, namely to 5.38%. But in 2007 and 2015 the increase is quite stable, so it can be concluded that there are factors that affect the economic growth that occurred in the province of Jambi.Besides the general economic growth that occurred in the province of Jambi can be affected by many factors including economic and workforce investment. Investment is the purchase of capital or goods which are not consumed, but used for production activities to produce goods or services of our future. Most economists consider that the establishment of the investment is an important factor responsible for the growth and economic development of a country or region. When employers or individuals or governments to invest, there are a number of invested capital or issued or was there a number of purchases of goods which are not consumed, but used for the production to produce goods and services in the future. We can see table 1.2. investment below:

Table 1.2 Domestic Investment (DCI) And Foreign Direct Investment (FDI) In the province of Jambi
According to the Investment Realization

Year	Domestic investment (Rp)	Realization PMA (US$)
2005	7.887.116	662.291
2006	9.090.813	706.921
2007	8.468.662	85.175
2008	9.144.958	78.425
2009	9.193.509	78.425
2010	8.838.272	5.370
2011	8.048.826	18.525
2012	9.611.608	84.108
2013	14.433.096	61.877
2014	19.933.676	827.854
2015	21.339.201	798.452

Source: BKPMD Jambi Province in 2016

The labor force many who need jobs , but generally in both developing countries and developed countries , the population growth rate greater than the rate of growth of their employment.Therefore , many of the labor force , most are not employed or unemployed .Thus , employment and mpengangguran ketersedianya closely linked to employment for the community . More and more jobs are available in a country, the greater the employment opportunities for the population of productive age, so the smaller the rate of unemployment. Conversely, the fewer jobs in a country, the less the employment opportunities for the population of productive age. Thus, the higher the unemployment rate. The labor force provinsim Jambi can be explained by Table 1.3 below:

Table 1.3 Work Force Development in Jambi Province Year 2005 -2015

Year	Workforce (Soul)	%
2005	1.193.721	-
2006	1.210.568	14,11
2007	1.200.356	(0,84)
2008	1.181.650	(0,15)
2009	1.222.951	0,34
2010	1.290.854	0,55
2011	1.334.496	0,33
2012	1.425.178	0,57
2013	1.532.167	0,75
2014	1.589.778	0,37
2015	1.681.325	0,58

Source: Sosnakertran Jambi Province in 2016

Arsyad (1999) also pointed out that the economic growth associated with the effect of the blend of high productivity and large population. The success of economic development is often interpreted as the increase of national income or product for a nation, regardless of who will enjoy the results of such development. In developing countries the model used to measure economic growth is the increase in the per capita GNP growth rate resulting in material increases, but at the same time new problems arise is the problem of equitable distribution of development outcomes. The high level of income per capita is achieved do not guarantee equitable distribution of the fruits of development, it is precisely the result of high growth rates is followed income inequality is widening, in addition to urbanization is unstoppable, as a result of the buildup of industrialization in urban areas (Ardani, 1996 in Suyana main, 2009).

II. Problem Formulation

Based on the background of the problems mentioned above, it can be formulated several research problems as follows.
1. What is the impact of government spending on economic growth in Jambi Province?
2. What is the impact of investment on economic growth in Jambi Province?
3. How will the labor force to economic growth in Jambi Province?
4. How does government spending, investment, labor force to economic growth in Prvinsi Jambi ?

Research Objectives
The research goals of this study were:
1. To analyze the effect of government spending on economic growth in the province of Jambi .
2. To analyze the effect of the economic growth of investment in the province of Jambi .
3. To analyze the effect on the growth of the labor force in the province of Jambi .
4. To analyze the effect of government spending , investment , labor force labor to economic growth in Jambi Province ?

Theoretical basis

1. Government spending

In carrying out the functions of the government, then the government through its spending. Government spending is the consumption of goods and services between the government and the financing of the government for the purposes of administration and development activities (Sukirno, 2002). In more detail government spending used to pay the salaries of government employees, pay for education and public health systems, financed shopping for the armed forces and finance various types of infrastructure in the development process. Government spending as a whole is very important in contributing to national development.The proportion of government spending as a strategy to achieve the goals of national development. Normative development spending or public spending sought greater proportion than the apparatus expenditure or expenditures. Because with greater public spending will be able to improve the welfare of society. Government spending is a component of the relatively small compared to other expenses, but the effect is quite large, both as a function of allocation, distribution, and stabilization. Government spending is autonomous, because the determination of the government budget is in: a. Taxes are expected to be received; b. Political considerations; and c. Problems faced (Samuelson and Nordhaus, 2001). The debate over the role of government in the economy is a very long process. At the time of merkatilis, the role of government in the economy is too big. Government control over trade is very strong that suppress the right people to work (Deller, 2002).

2. Regional Budget (APBD)

The financial capacity of the area shown in the form of the Regional Budget (APBD). According to Law 32 and 33 of 2004 budget the annual financial plan. Local governments were discussed and agreed upon by the local government and the Regional Representatives Council (DPRD), and is set by local regulations. The budget contains the details of all the reception area on one side and all expenditure areas on the other side. On the revenue side, the budget consists of the remainder over last year's budget, revenue, profit sharing tax equalization funds from the central government in the form of general allocation funds (DAU) and Special Allocation Fund (DAK), assistance from the province or other regions, as well as the reception other valid according to the law. The expenditure side of the budget consists of apparatus and public spending. Prior to the 2003 budget expenditure consists of recurrent and development expenditure, (Main Suyana 2009).

Regional Budget (APBD) has functions including:

1. Authorization function, the regional budget is the basis for implementing revenue and expenditure for the year.
2. The planning function, the local budget as a guide for the management and planning of activities during the year.
3. Oversight, local budgets serve as guidelines for assessing whether government activities in accordance with the provisions stipulated.
4. The function allocation, local budgets can reduce unemployment and waste of resources, as well as improve the efficiency and effectiveness of the economy.
5. Distribution Functions, regional budget policy should take fairness and compliance.

3. Investation

Investment is any vehicle where the funds are placed with the hope to be able to maintain or increase the value or provide positive results (Elyani, 2010). Adhisasmita (2005), suggests that the investment or capital movements (private and public) is a means for cumulative process, pointing up in an area that fared well and leads to a bottom in areas that fared no better. In urban areas that are experiencing growth, the increase in demand will drive revenue and demand, which further increase investment, and so on. In other areas where progress is very slow then the demand for capital for investment is low as a result of lower capital and revenue deals that tend to be lower. Difference The growth and concentration of investments in well-established areas resulted in increased inequality or inequality. Todaro in Lubis (2008) says that the resources will be used to raise incomes and consumption in the future is called investment. According to Samuelson and Nordhaus (1996), the investment is an important thing in economic development because of this investment is needed as an additional factor in the increase in the production process.Thus construed as investment expenditure or capital expenditure planters or companies to purchase capital goods and paraphernalia production to increase the ability to produce goods and services available in the economy, so the investment is also called the investment. (Sukirno, 2010) Investment is a step sacrificing current consumption to increase consumption in the future. Besides investments encourage the accumulation of capital. The addition of the stock of buildings and other critical equipment will increase the potential output of a nation and stimulate economic growth for the long term. These investments have an active role in determining the level of output, and the rate of output growth depends on the rate of investment (Arsyad, 1999). Furthermore, Jhingan (1999) mentions one of the effects of investment activity on the aggregate demand side that affect revenue if investment increases, aggregate spending will increase, which

then generate income through multiplier process. To get an idea of the development of investment from time to time, there are three different ways (by three groups of data) that can be done (Dumairy, 1996). First, by highlighting the contribution of gross domestic capital formation in the context of aggregate demand, namely by looking at the development of a variable contribution or investment in national income equation, $Y = C + I + G + X-M$. Investment data is the data overall gross domestic investment, covering both investment by the private sector (domestic and foreign) as well as by the government. Second, the data is to observe domestic and foreign investments, which in this way means only observe investment by the private business alone. Third, is to examine the development of investment funds disbursed by the banking sector. Scope data in this way is relatively limited, as not taking into account their own capital invested by the investor. Gross fixed capital formation includes the procurement, manufacture or purchase of new capital goods from domestic and new or used capital goods from outside the capital negeri. Barang purchased or made yourself are durable goods that are used to produce and usually wear more than a year old. Gross domestic fixed capital formation divided into: a. Fixed capital formation in the form of building / construction; value is calculated by adding together the entire output (output) the construction sector, namely the value of materials / construction plus freight charges and trading margin and other costs in the form of services as well as primary costs. Rated output the building sector are derived from improvements lightweight / small not counted as capital formation. b. Fixed capital formation in the form of machinery and tools equipment both from imports and domestic products whose value is calculated by adding together the machinery / equipment in question plus freight charges and trading margin and other costs.

4. Labor Theory Concepts

Job opportunities (employment) is an opportunity created by the specific economic development, in terms of employment opportunities that may have been filled or there is an unfilled. These employment opportunities during collected by the Central Statistics Agency (BPS) through the census or population survey both employment broken down by line of business, type of occupation, or employment status is concerned the employment opportunities that have been filled. So it concerns those who have worked and can also be called a worker (the Central Statistics Agency Jambi Province in 2014). Term employment in English is derived from the verb to employ the means used in a process or business of giving jobs or livelihoods. So employment means the state of people who are having a job. The use of the term ordinary daily employment expressed by the number of people and that meant there was a number of people in work or have a job. This understanding has two elements, namely the courts or the employment and those who are employed or who do the work. So in terms of employment English is clear that employment was already occupied (Soeroto, 1983). Unemployment in the country is the difference between the labor force with the use of labor sebenarnya.Yang labor force is defined as the amount of labor contained in an economy at a particular. To determine the workforce needed two pieces of information: (1) the number of people aged over 15 years and have wanted to work (an example is a student, students, housewives and unemployed voluntary), and (2) the number of people aged 15 years and above who entered labor market (who already want to work) the number of people in the group (2) is called the labor force and population groups (1) is called instead of the labor force. Thus the labor force within a certain period can be calculated by subtracting the number of working age population with a number instead of the labor force. Comparison among the workforce at a working age population that is expressed in percent is called the labor force participation rate. According to Law No. 14 In 1969, the workforce is that everyone is capable of performing the work, both inside and outside the employment relationship in order to produce services or goods to meet the needs of the community (Article 1). So the notion of labor under this provision include workers who work inside and outside the employment relationship, with the main production equipment in the production process is its own power, both physical and mind power. According Simanjuntak (1990), labor (man power) contains two meanings. First, labor implies work effort or service that can be provided in the production process.

5. Economic Growth

Economic growth can be defined as the development of activities in the economy that led to the goods and services produced in the community grows (Sukirno, 2004). In the actual economic activities of economic growth means development of the physical production of goods and services that apply in a country, such as increasing and the number of goods-producing industries, the development of infrastructure, increase the number of schools, the increase of the production of the service sector and the incremental production of capital goods.Todaro (2000) says that the process of economic growth has a close connection with structural changes and sectoral high. Some of the major components of structural changes include shifting gradually towards agricultural activities non-agricultural sector and the industrial sector to the service sector. A region that is growing so the process of economic growth will be reflected in the shift of traditional economic sectors, namely agriculture will decline on the one hand and the increased role of non-agricultural sector on the other.

III. Metode Research

Design (design) is a design study, guideline or benchmark studies to be carried out, therefore the design of the study should contain everything that is concerned with the conduct of research (Bungin, 2001). According to the type of data and analysis techniques, this research is quantitative research that the type of research that is based on quantitative data or findings achieved using statistical procedures or quantification of the others. This research shaped associative research is research that aims to determine the relationship between two or more variables. Types of data collected is secondary data is data in government spending, investment, employment, economic growth of the district / city in the province of Jambi 2005-2015. ,

1. The types and sources of data

According Singarimbun (1995) the types and sources of data is as following:
A. Quantitative data, ie data in the form of unit of account, involves government spending, investment, the GDP and district / city in the province of Jambi 2005-2015.
B. Qualitative data, ie data that do not have a unit of account, such as descriptions that are used to provide relevant explanations among other things, an overview of the district / city in the province of Jambi.

2. Data analysis technique

Descriptive statistics were used to help describe the circumstances (facts) which is actually from a study. This analysis relates to methods of collecting and presenting data so as to provide useful information. Descriptive statistics only provide information on the data held and did not draw any conclusions. With descriptive statistics, the data set obtained will be presented with a quick, neat, and may provide the core of the existing data set.

1). Path Analysis (path analysis)

Analysis of the path or trajectory analysis is an extension of the multiple linear regression analysis to estimate the causal relationships between variables (causal models). In the analysis of the path there is a variable that play a multiple role as independent variables in a relationship but became independent variables in a relationship to another (Suyana Main, 2007).Kerllinger (2002) mentions that by using path analysis can be calculated direct and indirect influence between variables. Path analysis was first introduced by Sewell Wrigth, a population geneticist between the years 1918-1921. Path analysis can be used to analyze the causal relationship between one variable with another variable. This procedure can estimate the coefficients of a linear structural equation that represents the hypothesized causal relationship. In contrast to the regression equation in which the effect of variable X to variable Y shaped only direct influence, the influence of linear structural equation variable X to Y can be a direct and indirect influence. The indirect effect of variable X to variable Y is through another variable called intervening variables or variable between. The net effect of variable X to the Y variable is the sum of direct influence and all indirect effect (Daryanto, Arief and Hafizrianda, 2010).

There are several reasons for the use of path analysis, namely:
a. The hypothesis tested was developed by the model (conceptual framework) that all relationships are asymmetrical and is the system, and the model can be categorized are recursive.
b. Path analysis provides a direct method associated with multiple relationships simultaneously (structural models) so as to provide analisisstatistika efficiency.
c. Its ability to comprehensively examine relations activities and giving a form of transition to the explanatory analysis confirmatory analysis. This transitional form relating to larger businesses in all fields of study to develop a more systematic view of the problem. Such efforts require the ability chain relationships that make up a great model, a set of basic principles, or an overall theory. It is very suitable resolved path analysis (path analysis).

The method used is the analysis of the path with Program AMOS.Salah one advantage of this program as user friendly. This program provides a canvas on the menu Amos graphic. By Amos we do not write the program, but the software will read its own in accordance with the image that we created. Amos graphic menu provides the canvas with icons that are easy to remember to draw the model. From this calculation obtained by the path coefficients direct influence, indirect influence and the influence of the total. In using path analysis with AMOS program do the following steps: (Ferdinand: 2002)

2) Normality Test

The normality assumption critical data in applications AMOS, because it determines the estimation technique that can be used. Therefore, data normality test needs to be done before track analysis is done. Normality Test Data with Univariate and Multivariate Normality, which analyzes the degree of normality of the data used in this study. Univariate see the value of CR on Skewness expected ± around 2:58. If no value beyond that number could be tolerated if the value is still around ± Multivariatenya 2:58.

3) Development of flow diagram (path diagram)

A flow diagram of the model was developed to address the problem of research -based theories and concepts , which can be illustrated as in Figure below
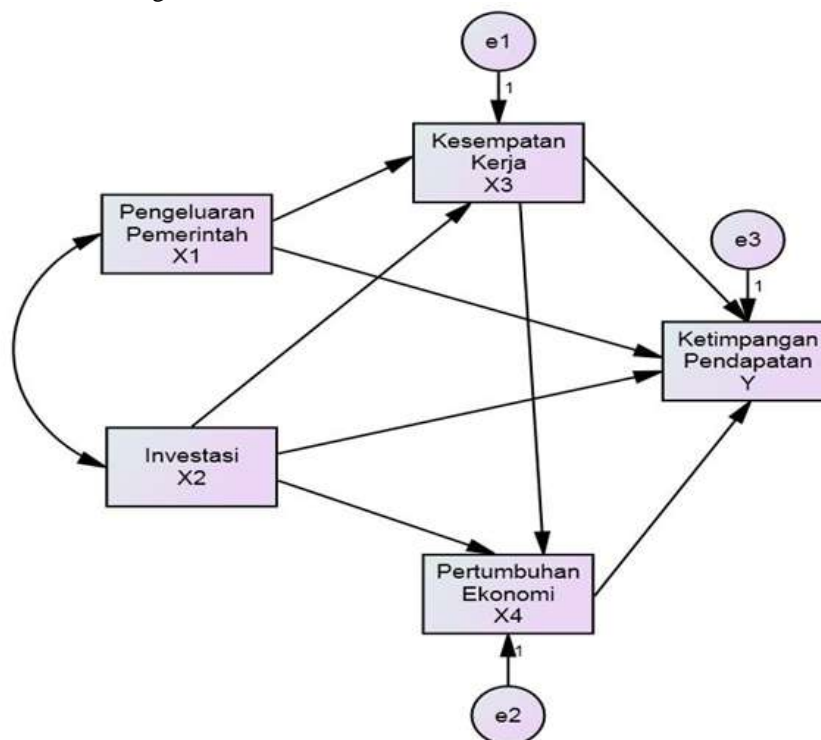
Picture: The relationship between the variables Research

The theoretical models that have been built in the first stage is described in a path diagram, which will make it easier to see the effects of causality to be tested. In the flow chart, the influence between variables will be expressed through the arrows. Straight arrows indicate a direct causal influence of one variable with other variables. While the curved lines between variables with arrows each end show a correlation between variables.

4) Convert the flowchart in the form of structural equations

The model equations in this study correspond to Figure expressed in the following equation :

$$X3\ \beta2 = \beta1\ X1 + X2 + \varepsilon1\ ....\ .\ ....\ .$$
$$X4 = \beta3\ \beta4\ X2 + X3 + \varepsilon2\ ....\ ..$$
$$Y = \beta5\ \beta6\ X1 + X2 + X3 + \beta7 + \varepsilon3\ \beta8X4\ ....$$

Information:

$X1 = X2 =$ Government Spending Investment

$X3 =$ Job Opportunities

$X4 = Y =$ Economic Growth Income Inequality $\beta1$, $\beta2$, and $\beta9 =$ path coefficient $\varepsilon1$, $\varepsilon3 =$ inner residua

5) The evaluation criteria of goodness of fit.

In this stage testing of the suitability of the model through a review of the various criteria of goodness of fit. Here are some indexes suitability and cut-off value to test whether a model can be accepted or rejected (Ferdinand, A., 2002):

1. X2-Chi-square statistics, the model is deemed good or satisfactory when the chi-square value is low. The smaller the value X2, the better the model, and accepted by the probability of the cut-off value of> 0.05
2. RMSEA (Root Mean Square Error of Approximation), an index that is used to compensate for the chi-square in a large sample. RMSEA value less than or equal to 0.08 is an index for the inadmissibility of the models show a close fit of the model was based on the degrees of freedom.
3. GFI (Goodness of Fit Index) is to calculate the weighted proportion of variance in the sample covariance matrix described by the covariance matrix of the estimated population. Non statistical size has a range of values between (poor fit) to 1 (perfect fit). A high value in this index indicates a "better fit".

4. AGFI (Adjusted Goodness of Fit Index), a criterion that takes into account the weighted proportion of variants in a sample covariance matrix. GFI is an analogue of R2 in multiple regesi that has a value equal to or greater than 0.90
5. CMIN / DF (The Minimum Sample Discrepancy Function devided with degrre of Freedom), a chi-square statistic X2 divided by degree of freedom of its so-called X2relatif. When X2 relative value of less than 2.0 or 3.0 are indicative of an acceptable fit between model and data.
6. CFI (Comparative Fit Index), the value range of 0 to -1, which is getting close to 1, indicating the highest level of fit. CFI recommended value is 0,95.
7. In the assessment model, the CFI index is highly recommended to be used for these indices are relatively insensitive to sample size and less influenced by the complexity of the model according to Hulland, et al (Ferdinand, 2002). Then the indices that could be used to test the feasibility of a model seen in the table below:

Table: Goodness of Fit Index

Goodness of Fit Measure	*(Cut of Value)*
Nilai Kritis	
Chi Square (λ2)	expected to be small
Significance Probability (*p*)	$\geq 0,05$
RMSEA	$\leq 0,08$
GFI	$\geq 0,90$
AGFI	$\geq 0,90$
CMIN/DF	$\leq 2,00$
CFI	$\geq 0,94$

Source: Ferdinand (2002)

IV. Data Analysis

The calculation of the path coefficients in this study using a program Moment of Structural Analysis (AMOS).This study was conducted to determine and analyze government spending and investment on employment, economic growth and unequal distribution of income as presented in the analytical techniques.

1. Theoretical Model

Tiered causality or causal relationship between the variables in this study is a model that is not simple, the variables that double role, as an independent variable in a relationship, but the dependent variable on another relationship. The model developed in this study consisted of 5 (five) variables: government spending, investment, employment, economic growth and income inequality.Variable employment on the one hand as an independent variable of economic growth and inequality of income and on the other as the dependent variable of government spending and investment. Likewise variable economic growth, on the one hand as the variables that affect income inequality and on the other hand is affected by government spending, investment and employment. In this study the relationship between variables based on the substance of the theory can be developed as follows:

1. The effect of government spending and investment on employment districts / cities in Jambi Province
2. Effect of investment and employment opportunities to the Economic Growth districts / cities in Jambi Province
3. The effect of government spending, investment, employment opportunities and economic growth of the province of Jambi Income Inequality

2. Normality test

Normality Test Data with Univariate and Multivariate Normality, which analyzes the degree of normality of the data used in this study. Univariate see the value CR at ± Skewness expected around 2:58. If there values outside that number could be tolerated if the value is still around ± 2.58.Hasil Multivariatenya normality test data in this study can be presented in Table 5.8 as follows:

Assessment of normality

Variable	min	max	Skew	c.r.	kurtosis	c.r.
X1	4.140	12.740	1.038	3.815	1.056	1.941
X2	3.990	51.310	1.526	5.607	3.228	5.930
X3	96.430	98.950	.230	.845	-1.103	-2.027
X4	4.020	7.300	.007	.025	-.476	-.874
Y	.174	.425	.692	2.543	.229	.420
Multivariate					3.951	2.125

Based on the above table CR on Skewness value for X3, X4 and Y have the value < 2.58 in the amount of 0.845, 0.025 and 2.543, so the data will be used in this study normal distribution. CR on kurtosis value, only variable X2 which is not normal for CR> 2.58 is equal to 5.930 . CR> 2.58 can be tolerated because the value multivariatenya were around 2.58, which amounted to 2.125, so the data will be used in this study are multivariate normal distribution.

3. Direct Impact

The calculation of the path coefficients in this study using multiple regression to investigate and analyze government spending, investment , and employment to economic growth and unequal distribution of income , then the program that is used is the program Analysis Moment of Structural (AMOS) against the structural equation model 4.1, 4.2 and 4.3 as shown in analysis techniques . The path coefficients of the theoretical model can be presented in

	Regresi		Koefisien	C.R	P Value	Keterangan
			Regresi Standar			
X3	<---	X1	0.187	2.040	.041	Signifikan
X3	<---	X2	0.544	5.931	***	Signifikan
X4	<---	X2	0.399	3.351	***	Signifikan
X4	<---	X3	0.186	1.560	.119	Tidak Signifikan
Y	<---	X1	0.231	2.601	.009	Signifikan
Y	<---	X2	0.043	.392	.695	Tidak Signifikan
Y	<---	X3	0.360	3.423	***	Signifikan
Y	<---	X4	0.298	3.079	.002	Signifikan

*** sig alpha ($< 0,001$)

V. Conclusion

Based on the results of research and discussion conducted to analyze the Influence of Investment and labor force to economic growth of the province of Jambi period 2005-2015 it can be concluded that:

1. From the results of analysis show that the investment and the GDP has a positive and significant impact on the labor force in the province of Jambi. It is caused by increased economic growth in Jambi Province

2. Based on the regression analysis, the obtained value Constants (a) -8.559 can be defined if the constant investment and the GDP of 8.559 Work Force Coefficient Value (b1) = 0.032 can be interpreted if investment rose 1 percent, the Labor force will increase by 0,032 percent , The coefficient value (b2.) = 0.524 can be interpreted if the GDP rose by 1, the Labour Force will increase by 0.524 percent.

3. From the simultaneous test (Test F) With a confidence level of 95% or α = 0.05 was obtained F-table at 3.49 while the value of the F-count 140.833. because the value of f count larger than F-table (140.833> 3.49) means that investment and the GDP significantly influence the labor force in Jambi province with a significant level of 0.000,

4. Based on t-test, t-test value for X1 (investments) amounted to 1.335 while for t-table with a confidence level of 95% or α = 0.05% is equal to 4.318 for t-count value is smaller than t-table (-1,335<4,318), then Ho is received and that means investment has no significant effect on the labor force in the province of Jambi. While the t-count value X2 (GDP) amounted to 14.473 for t-count is greater than t-table 14,473<4,318), then there is insufficient reason to reject Ha. which means that the GDP had a significant impact on the labor force in the province of Jambi.

5. Based on the correlation coefficient (R) is obtained by 0.975 means that there is a close relationship between the variables of investment and the GDP of the labor force.

6. And by testing the coefficient of determination (R2) of 0.950 obtained 95.0 percent of the variation means changes in the value of Y (Workforce) can be explained by changes in the investment variable (X1), the GDP (X2), and the remaining 5 percent are caused by factor- other factors not discussed in this study.

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