HOW TO INCREASE ECONOMIC DEVELOPMENT WITH THE ROLE OF HUMANS AND PROSPEROUS FAMILIES: A STUDY OF EAST KALIMANTAN PROVINCE

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Abstract

A prosperous economy brings harmony to economic development. This study aims to determine the mediating role of human development and prosperous families on the external environment and economic development in East Kalimantan, Indonesia. Quantitative panel data from the Central Statistics Agency of East Kalimantan Province includes 117 data on six districts and three cities during the period 2007 to 2019, with an equation structure model (SEM) through the software WarpPLS. The direct influence between exogenous variables on the mediator variable found a positive or negative and significant influence of poverty, education, population and labor on human development and performance. Meanwhile, the direct influence of the exogenous variables on Economic Development was found to have positive and negative effects, both significant and insignificant. It was also found that the influence of the Human Development mediator variable on the endogenous variable of Economic Development was positive and significant. In contrast, the effect of the prosperous family variable on Economic Development was negative and significant. Then the influence of Human Development on the prosperous family was negative and significant. This research contributes to theoretical and empirical studies where it is found that there is an influence between variables that becomes a gap in the findings of the new research. All indirect effects of exogenous to endogenous variables through the mediation of Human Development and prosperous families are not entirely significant.

Keywords: education, manpower, human development, prosperous family, economic development.

Introduction

Economic growth can be influenced by the Human Development Index (HDI) and the prosperous family factors. Sustainable human development refers to universalism ethics as a basic demand for impartiality claims applied within and between generations. Thus, sustainability economics is often seen as a matter of intergenerational equity, but the specifications of what is maintained are not always

Clear (Anand & Sen, 2000). Sustainable human development needs to be done with the support of a high-quality institution so that it will be able to build a sustainable development path that is a reflection of good economic growth (Costantini and Monni, 2008). A prosperous family is described as every family free from disintegration, free to make positive decisions, and free to earn a living and get proper health for family welfare. Through community, healthy it will build a harmonious community and produce significant economic growth in supporting sustainable development (Hassan et al., 2012).

As for the Human Development Index factors, prosperous families and economic growth are also directly influenced by poverty, education, demography, and labor. Poverty and unemployment factors positively and significantly impact the Human Development Index (Chalid & Yusuf, 2014). Poverty has a negative and significant effect on the Human Development Index (Umiyati et al., 2017). It was further stated that the Human Development Index had a negative and significant effect on economic growth. In contrast, education had a negative and significant effect, and labor had a positive and significant effect on economic growth (Rakhmawati, 2016). Then it was also found that education has a positive and significant effect on economic growth (Ezkirianto & Alexandi, 2018).

Labour and education have a positive and significant effect on economic growth (Suriyanto, 2011). The level of population density also significantly affects the Human Development Index, so a large population must be accompanied by good quality human resources (Antara & Suryana, 2020). Another study also found that the number of poor people had no significant effect on people's welfare. The open unemployment rate had a negative and insignificant effect on people's welfare (Yani et al., 2017). Based on the background of the existing problems, this study aims to examine and explain the factors of poverty, education, population, and labor factors that directly affect the Human Development Index, prosperous families, and economic growth. Likewise, the Human Development Index directly affects prosperous families, and the Human Development Index and prosperous families can influence economic growth.

LITERATURE REVIEW, CONCEPT FRAMEWORK, RESEARCH HYPOTHESES

Grand theory, middle theory and applied theory are the basis for the birth of other theories in various levels and circumstances. Grand theory is the main theory on a scale terrorist because these theories are at the macro level. The middle theory is a theory at the middle level where the focus of the study is macro and micro. Similarly, the applied theory is at the micro-level and ready for conceptualization (Dougherty and Pfaltzgraff, 2001).

1. Economic Theory

Economics has been defined in several ways. The classic definition is that economics is a social science dealing with real wealth. In an economic sense, wealth is not money (which has a value that can generally be exchanged for real wealth) but goods that people produce. So, economics is a social science dealing with human activities and specializing in the production, distribution, exchange, and consumption of wealth, or material needs and human wants (Foldvary, 2015:1). Keynes's General Theory, both through Keynes' contributions and through his synthesis of works, was crucial to the emergence of modern macroeconomics. Keynes, and not just Keynesian interpreters such as Hicks and Hansen, provided economists with a macroeconomic framework that could be used, with roles for goods markets and financial market equilibrium conditions, for expectations, uncertainty, and volatile investment, and for an analysis of why labour markets may be unclear and nominal shocks can have real consequences. These four components are essential to the framework. To choose one of the four as the main message of Keynes obscures the strong synthesis they made together. Keynes provides macroeconomics with a focus on determining the equilibrium level of income and employment that differs from both the business cycle theory focuses on dynamic movements and the monetary theory focus on prices, although

with considerable attention to non-neutrality short-run (Keynes's General Theory After Seventy Years)., 2010:306).

2. Development Economics

An early theory of development economics, the linear stages of growth model, was first formulated in 1950 by WW Rostow in The Stages of Growth: A Non-Communist Manifesto, following the work of Marx and List. This theory modifies Marx's theory of stages of development. It focuses on accelerated capital accumulation by utilizing domestic and international savings as a tool to spur investment as the main means of promoting economic growth and, thus, development (Goulet, 2014). The linear-growth-stages model suggests a series of five successive stages of development that all countries must go through during the development process. This stage is "traditional society, a prerequisite for take-off, take-off, a drive to maturity, and an age of high mass consumption" (Rostow, 1998). A simplified version of the Harrod-Domar model provides a mathematical illustration of the argument that increased capital investment leads to greater economic growth (Todaro & Smith, 2012).

3. Economic Growth

Classification of growth as an example of complex dynamics aims to give new capacity to 'old' growth theories to provide insight into even recent phenomena such as polarization in the distribution of world income and the wide fluctuations experienced by many countries in recent years (Bellomo et al., 2020). From an empirical point of view, it refers to the importance given by the current literature on fluctuations in output to the network (Freni et al., 2016:123). All sectors are supporters of growth, but small regional incomes cannot support economic and infrastructure development (Suharto et al., 2020).

4. Human Development Index (HDI)

Human Development Theory has its roots in ancient philosophy and early economic theory. Aristotle noted that "Wealth is not the good we seek, because it is only useful for something else", and Adam Smith and Karl Marx were concerned with human capabilities (Lowith, 2002). This theory gained importance in the 1980s with the work of Amartya Sen and the Human Capability perspective, which was instrumental in receiving the 1998 Nobel Prize in Economics. The leading early active economists who formulated the modern concept of human development theory were Mahbub ul Haq, ner Kirdar, and Amartya Sen. The Human Development Index developed for the United Nations Development Program (UNDP) is derived from this initial research (Youssef et al., 2013). In 2000, Sen and Sudhir Anand published important developments of the theory to address problems in sustainability (Anand & Sen, 2000), (Welzel et al., 2003).

5. Prosperous

Family Family is a system, and this system is defined as a set of objects and the relations between objects these to their attributes, based on the assumptions: (1) system elements are interconnected; (2) the system can only be understood as a whole; (3) the whole system affects and is influenced by its environment, and (4) the system is not something real (Kelin and White, 1996). The family function is also defined as a contribution or contribution in which an item or element maintains the whole (Sari et al., 2020).

6. Poverty Theory

According to Spencer and Sumner, social existence is a competitive experience among individuals with different abilities and natures (Hurst et al., 2016). They believed that those with better abilities could be productive to survive while the weaker ones would die. Spencer and Sumner argue that the state and government should not intervene on behalf of the poor because their poverty status is determined by nature. Lester Ward, who opposed social Darwinism, noted that factors other than individual abilities drive poverty. Spencer believes that natural selection through social competition promotes the purification of social systems (Calhoun et al., 2012). He argued that evolution served a cleansing function that made society more adaptable to its environment. The weakest died while the best and strongest in society survived. Spencer emphasized that society will be better off as long as individuals, states and organizations do not interfere with the natural path of social improvement. He points out that the social system weakens when the weak are kept in society. However, Spencer ignores the social structure that will develop from a free market economy and how this will affect the development of individuals in society (Spencer, 2017). There is an application of contemporary Spencer ideology. Spencer's ideology is reflected in poverty and welfare policies (Kelley et al., 2021). Conservatism embraces Spencer's

ideas. Spencer's ideas determine national policy, funding and beneficiaries of welfare programs. Conservatism does not concern itself with public issues of equality, freedom, social responsibility, and the general welfare. It is drawn towards private property, profit, free market and survival of the strongest. Conservatives believe that social welfare should be extended to the less fortunate only when other sources of assistance have been exhausted and even in residual form. Therefore, expenditures and welfare programs are kept to a minimum (Pollans, 2019).

7. Labor

"The General Theory of Employment, Interest and Money of 1936" was written by British economist John Maynard Keynes. This caused a major shift in economic thought, gave macroeconomics a central place in economic theory and contributed to much of its terminology, namely the "Keynesian Revolution". This has equally strong ramifications in economic policy, interpreted as providing theoretical support for government spending in General and budget deficits, monetary intervention and counter-cyclical policies in particular. It is pervaded by an atmosphere of distrust of the rationality of free-market decision making (Cuyvers, 2015). Based on the model of the variables to be studied, it can be poured into a conceptual framework:
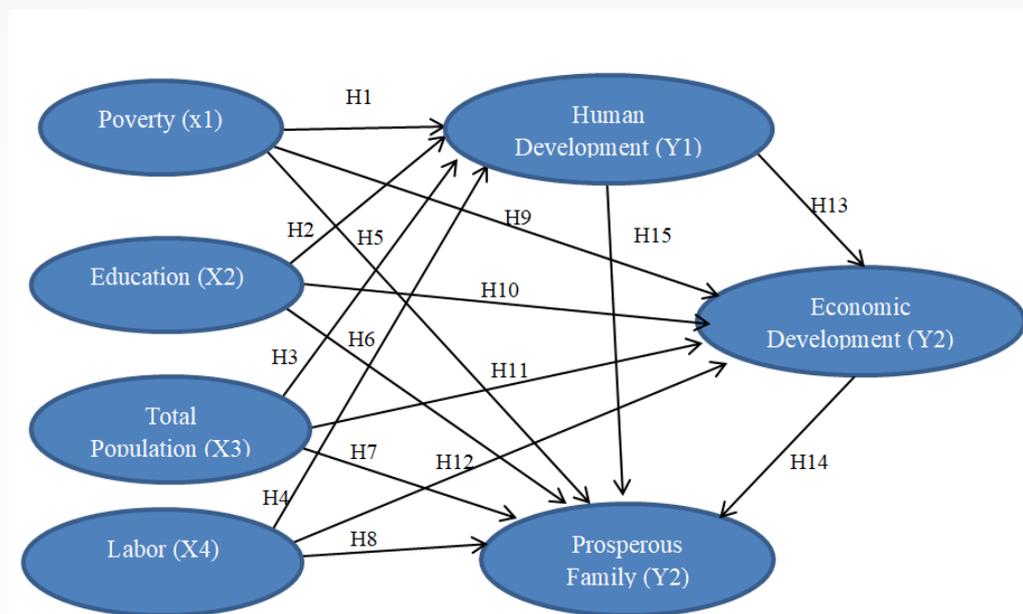
Figure 1 Conceptual Framework

8. Research Hypotheses

Based on the existing conceptual framework, the research hypotheses that can be formulated are as follows:

1.   Poverty has a significant effect on Human Development.
2.   Education has a significant effect on Human Development.
3.   Population has a significant effect on Human Development.
4.   Labor has a significant effect on Human Development.
5.   Poverty has a significant effect on families prosperous.
6.   Education has a significant effect on prosperous families.
7.   Population has a significant effect on prosperous families.
8.   Labor has a significant effect on prosperous families.
9.   Poverty has a significant effect on economic development.
10.   Education has a significant effect on economic development.
11.   Population has a significant effect on economic development.
12.   Labor has a significant effect on economic development.
13.   The Human Development Index has a significant effect on economic development.
14.   Prosperous families have a significant effect on economic development.
15.   Human Development has a significant effect on prosperous families.

RESEARCH METHOD

This research is descriptive quantitative. Data has been collected through time series and data cross-section from the Central Bureau of Statistics, which aims to understand the most important predictor variables that affect economic development in East Kalimantan. The population of this study is all data products, statistical produced or officially issued by the Central Statistics Agency of East Kalimantan Province for each year which includes district/city data from 2007 to 2019. Researchers identified this study with 7 (seven) variables and grouped the variables divided into three parts, namely exogenous variables consisting of (1) Poverty, (2) Education, (3) Demographics, (4) Labor, and mediator variables consisting of (1) Human Development and (2) Prosperous family, as well as the endogenous variable, namely Economic Growth. This research was conducted using SEM using the PLS (Inferential-Partial Least Square) program. In this study, the author uses a research instrument in the form of panel data collected from the time-series data from the last thirteen years from districts and cities in the province of East Kalimantan.

Table 1

Operational Research

Variables	Definition	Indicators	Scale
Poverty (X₁)	A condition that indicates a disadvantage in obtaining basic needs	a. Number of people poor (MISK1) b. Percentage of population	Ratio
	includes food, shelter and services health or care for the	poor (MISK2)	
Education (X₂)	Formal education, namely educational path structured and tiered consisting of basic education, secondary education, and higher education, which includes SD/ MI/equivalent, SMP/MTS/equivalent, SMA/MA/equivalent and tertiary institutions	a. The highest education completed (SLTP level) (PDDK1) b. The highest education completed (SLTA level) (PDDK2) c. Highest level of education attained (Higher College) (PDDK3)	Ratio of
Total Population (X3)	It relates to the amount, structure, gender, religion, birth, marriage, death, dispersion, mobility and the quality and durability that involves political, economic, social and cultural.	a. Population distribution (KPDK1) b. Dependency ratio (KPDK2) c. Population growth rate (KPDK3)	Ratio
Labor (X₄)	Everyone who can do work to produce goods or services to meet their own needs And for the community.	a. rate unemployment Open (TKRJ1) b. Labor force (TKRJ2) c. rate participation Labor force	Ratio

		(TKRJ3)	
Development Human(Y_1) An	an index that explains how the population can access development outcomes in obtaining income, health, education and so on	a. Human Development Index (HDI)	Ratio
Family Prosperous (Y_2)	Is the smallest unit formed based on a legal marriage, also capable of fulfilling the needs of life spiritual and material a decent, devoted to God Almighty and having the same relationship, harmonious faith between family members with the community and the environment.	a. Pre-prosperous family (SJTR1) b. Prosperous family I (SJTR2) c. Prosperous Family II (SJTR3)	Ratio
Development Economic (Y_3)	It is a condition of an increase in income that occurs due to an increase in the production of goods and services, which is also related to an increase in	a. GRDP at current prices (PDRB1) b. GRDP at constant prices (GDP2)	Ratio

Source: processed data, 2021

RESEARCH RESULTS AND DISCUSSION

1. Results of Statistical Analysis Inferential

The results of the initial evaluation analysis from the results of running the WarpPLS 7.0 program, it can be seen that there is a loading factor indicator variable or manifest value that is less than < 0.60, so it must be removed from the model and rerunning to get the more appropriate rule of thumb results in the measurement model with indicators reflexive (Mode A). Meanwhile, based on the results of the initial evaluation, it shows that there are several indicator variables that must be excluded or value <0.60 consisting of: KPDK1 = -0.870; KPDK3 = 0.507; TKRJ2 = 0.077; TKRJ3 = -0.865; SJTR1 = 0.598; SJTR3 = 0.585. Thus, the latent variables and the order of dominance of their respective indicators that are eligible and meet the requirements for further analysis consist of the following:

1. Latent variables of poverty with the order of indicators: Number of Poor Population (MISK1), Percentage of Poor Population (MISK2).
2. Education latent variable with indicator order: Highest Education Graduated at Senior High School Level (PDDK2), Highest Education Graduated at College Level (PDDK3), Highest Education Graduated at Junior High School Level (PDDK1).
3. Latent Variable Number of Population with indicators: Ratio Dependence (KPDK2).
4. Labor latent variables with indicators: Open Unemployment Rate (TKRJ1).
5. Human Development latent variable with indicators: Human Development (IPMN).
6. The latent variable of Prosperous Family with indicators: Prosperous Family (SJTR3).
7. The latent variable of Economic Development with a sequence of indicators: GRDP at prices constant (GRDP2) and GRDP at current prices (GRDP1). Based on the results of the initial analysis of the rule of thumb in Mode A – reflective, then running the program again and has shown that the value of loading factor each indicator or variable manifest is above > 0.60 entirely.

1) Output of the WarpPLS 7.0 Analysis Model

The results of the WarpPLS analysis in graphical form can be shown in Figure 2 as follows:
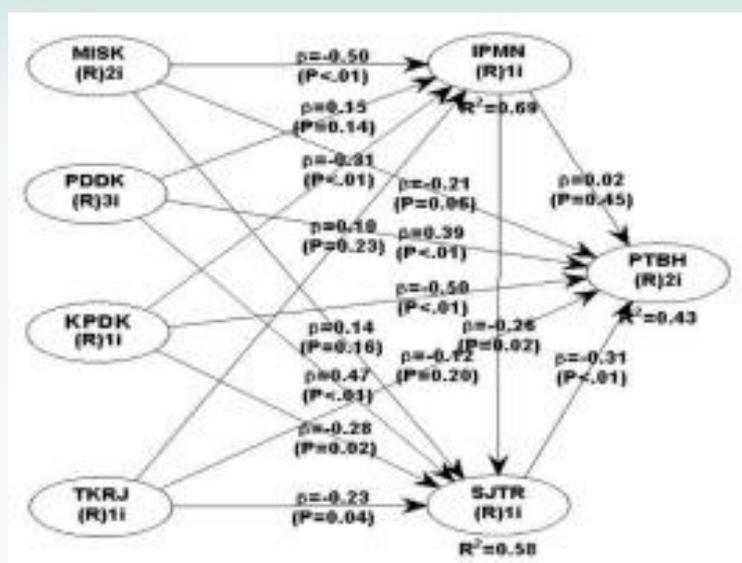
Figure 2 Model Testing Results in Direct Effects
Source: WarpPLS Version 7.0 (data processed 2021)

The figure also shows the test results for the model with path coefficient in the form of a direct effect. The results of the path test also show the path coefficient values and the significance of each path directly. The description and discussion and further manifestations will be carried out in the next sequence in the subsequent analysis is an integral part of this section.

2) View General

Results The results of the research analysis appear in a general view into Table 2 as follows:

Table 2
Model Fit and Quality Indicates

Average path coefficient (APC)=0.266, P=0.011
Average R-squared (ARS) =0.566, P<0.001
Average adjusted R-squared (AARS)=0.513, P<0.001
Average block VIF (AVIF) =1.764, acceptable if <= 5, ideally <= 3.3
Average full collinearity VIF (AFVIF)=2.584, acceptable if <= 5, ideally <= 3.3
Tenenhaus GoF (GoF) =0.720, small >= 0.1, medium >= 0.25, large >= 0.36
Sympson's paradox ratio (SPR) =0.867, acceptable if >= 0.7, ideally = 1
R-squared contribution ratio (RSCR) =0.913, acceptable if >= 0.9, ideally = 1
Statistical suppression ratio (SSR) =1.000, acceptable if >= 0.7
Nonlinear bivariate causality direction ratio (NLBCDR) =0.900, acceptable if >= 0.7

Source: Output WarpPLS 7.0 – data processed in 2021

Based on the results of the general output results in the model fit and quality, it can be seen that the model has a good fit, where the P-value is for the Average Path Coefficient (APC), Average R-squared (ARS)) and Average Adjusted R-Squared (AARS) <0.001 with APC value = 0.266, ARS value = 0.566 and AARS value = 0.513. Likewise, the value of Average block VIF (AVIF) value, which is produced, is < 3.3, which means that there is no multi collinearity problem between indicators and latent variables. The resulting Gof is 0.720 > 0.36, which means that the model's fit is very good. For index Simpson's paradox (SPR), R-squared contribution ratio (RSCR), statistical direction ratio

(NLBCDR) yields a value of 0.900, which means that there is no causality problem in the model. In this case, the number of iterations for this model is also carried out 4 times.

3) View Path Coefficients and P-values

The estimation results in this research model can also be seen through Table 3 as follows:

Table 3
Path Coefficients and P Values

	MISK	PDDK	KPDK	TKRJ	IPMN	PTBH	SJTR
Path Coefficients							
IPMN	-0,497	0,145	-0,307	0,100			
PTBH	-0,210	0,395	-0,504	-0,117	0,017		-0,308
SJTR	0,138	0,473	-0,276	-0,234	-0,261		
P values							
IPMN	<0,001	0,144	0,010	0,234			
PTBH	0,059	0,001	<0,001	0,198	0,451		0,009
SJTR	0,157	<0,001	0,018	0,039	0,024		

Source: Output WarpPLS 7.0 - processed data in 2021

Based on the output path coefficients p-values, it can be seen that Poverty (MISK) has a negative and significant effect on Human Development (IPMN), with the P-value resulting<0.001 and the value path coefficient   of-0.497. Furthermore, it can be seen that Education (PDDK) has a positive and insignificant effect on Human Development (IPMN) with a P-value   of-value of 0.144 and 0.144, a path coefficient of 0.145. The total population (KPDK) has a negative and significant effect on Human Development (IPMN), with a P-value of 0.010 and the value of path coefficients -0.307. Then Labor (TKRJ) has a positive and insignificant effect on Human Development (IPMN) with a P-value of 0.234 and a value of path coefficients of 0.100.

Furthermore, the Poverty value (MISK) has a positive and insignificant effect on the Prosperous Family (STR), with a P-value of 0.157 and a path coefficient of 0.138. Education (PDDK) has a positive and significant effect on Prosperous Families (SJTR) with P-value <0.001 and path coefficients 0.473. The total population (KPDK) has a negative and significant effect on the Prosperous Family (SJTR), with a P-value of 0.018 and a value of path coefficients -0.276. Human resources (TKRJ) negatively and significantly affect Prosperous Families (SJTR) with a P-value of 0.039 and a path coefficients value of -0.234.

The Poverty value (MISK) has a negative and insignificant effect on Economic Development (DRR) with a P-value of 0.059 and a value of path coefficients -0.210. Education (PDDK) has a positive and significant effect on Economic Development (PTBH), with a P-value of 0.001 and the value of path coefficients 0.395. The total population (KPDK) has a negative and significant effect on Economic Development (PTBH), with a P-value of 0.018 and path coefficients - 0.276.

Human Development (IPMN) has a positive and insignificant effect on Economic Development (PTBH) with a P-value of 0.451 and a value of path coefficients of 0.017. Prosperous Family (SJTR) has a negative and significant effect on Economic Development (PTBH) with a P-value of 0.009 and path coefficients - 0.308. Human Development (IPMN) has a negative and significant effect on Prosperous Families (SJTR) with a P-value of 0.024 and a value of path coefficients -0.261.

4) View Standard Error and Effect Size from Path Coefficients

The results of the standard error and effect size values of the path coefficients can be displayed in Table 4 as follows:

Table 4
Standard Errors and Effect Size for Path Coefficients

	MISK	PDDK	KPDK	TKRJ	IPMN	PTBH	SJTR
Standard Errors for Path Coeficients							
IPMN	0,118	0,135	0,127	0,137			
PTBH	0,132	0,123	0,117	0,137	0,142		0,127
SJTR	0,135	0,119	0,128	0,130	0,129		
Effect Size for Path Coefficients							

IPMN	0,354	0,084	0,211	0,043			
PTBH	0,040	0,238	0,320	0,034	0,007		0,146
SJTR	0,067	0,225	0,098	0,102	0,088		

Source: Output WarpPLS 7.0 - processed data in 2021

Based on the results output, the standard error for poverty (Misk) on human development variables (IPMN) is approximately 0,118. Standard error of education (PDDK) to human development (IPMN) equals 0.135. Standard error Total Population (KPDK) on the Human Development (IPMN) equals 0.127. The standard error of Manpower (TKRJ) on human development (IPMN) is 0.137. The standard error of poverty (MISK) for prosperous families (SJTR) is 0.135. The standard error of education (PDDK) for prosperous families (SJTR) is 0.119. The standard error of the population (KPDK) for the Prosperous Family (SJTR) is 0.128. The standard error of labour (TKRJ) for prosperous families (SJTR) is 0.130. The standard error of Poverty (MISK) on economic development (PTBH) is 0.132. The standard error of education (PDDK) on economic development (PTBH) is 0.123. The standard error of Population Number (KPDK) on economic development (PTBH) is 0.117. The standard Labor (TKRJ) error on economic development (PTBH) is 0.137. The standard error of human development (IPMN) on economic development (PTBH) is 0.142. The standard error of prosperous families (SJTR) on economic development (PTBH) is 0.127. The standard error of human development (IPMN) for prosperous families (SJTR) is 0.129.

Next is the effect size generated by the Poverty variable (MISK) on the human development variable (IPMN) is 0.354 > 0.35, which means it is included in the large category. The effect size produced by the education variable (PDDK) on the human development variable (IPMN) is 0.084 < 0.15, which means it is included in the small category. The effect size produced by the population variable (KPDK) on the human development variable (IPMN) is 0.211 < 0.35, which means it is included in the middle category. The effect size produced by the labor variable (TKRJ) on the human development variable (IPMN) is 0.043 <0.15, which means it is included in the small category. The effect size produced by the Poverty variable (MISK) on the prosperous family variable (SJTR) is 0.067 < 0.15, which means it is included in the small category. The effect size produced by the education variable (PDDK) on the prosperous family variable (SJTR) is 0.225 < 0.35, which means it is included in the middle category. The effect size generated by the population variable (KPDK) on the Prosperous Family (SJTR) variable is 0.098 < 0.15, which means it is included in the small category. The effect size produced by the Poverty variable (MISK) on the economic development variable (PTBH) is 0.040 < 0.15, which means it is included in the small category. The effect size produced by the Education variable (PDDK) on the economic development variable (PTBH) is 0.238 < 0.35, which means it is included in the middle category. The effect size produced by the population variable (KPDK) on the economic development variable (PTBH) is 0.320 < 0.35, which means it is included in the middle category. The effect size produced by the labour variable (TKRJ) on the economic development variable (PTBH) is 0.034 < 0.15, which means it is included in the small category.

Furthermore, the effect size generated by the Human Development variable (IPMN) on the economic development variable (PTBH) is 0.007 < 0.15, which means it is included in the small category. The effect size produced by the Family Prosperous (SJTR) variable on the economic development variable (PTBH) is 0.146 < 0.15, which means it is included in the small category. The effect size produced by the Human Development variable (IPMN) on the Prosperous Family (SJTR) variable is 0.088 < 0.15, which means it is included in the small category.

5) View Indicator Loadings and Cross-Loadings
To evaluate the outer model or loading factor, it is shown in Table 5 as follows:

Table 5
Combined Loadings and Cross-loadings

	MISK	PDDK	KPDK	TKRJ	IPMN	PTBH	SJTR
MISK1	0,759	0,627	0,364	-0,150	0,386	0,118	0,021
MISK2	0,759	-0,627	-0,364	0,150	-0,386	-0,118	-0,021
PDDK1	-0,035	0,939	0,239	-0,002	-0,183	-0,069	-0,066
PDDK2	0,044	0,961	-0,305	0,006	-0,121	-0,026	-0,098
PDDK3	-0,010	0,950	0,072	-0,004	0,303	0,095	0,165
KPDK2	-0,000	0,000	1,000	-0,000	-0,000	-0,000	-0,000

TKRJ1	0,000	-0,000	-0,000	1,000	0,000	0,000	0,000
IPMN	0,000	-0,000	-0,000	0,000	1,000	-0,000	-0,000
PDRB1	-0,056	0,096	0,088	0,095	-0,012	0,968	0,086
PDRB2	0,056	-0,096	-0,088	-0,095	0,012	0,968	-0,086
SJTR2	-0,000	0,000	-0,000	-0,000	-0,000	-0,000	1,000

Source: Output WarpPLS 7.0 – data processed 2021

Based on the results output, it can be seen that the factor loading generated by all items or the construct indicator is > 0.60, which means that it meets the criteria for the reliability indicator.
6) View Latent Variable Coefficients
Next to see the values of R-squared, Adjusted R-squared, Composite Reliability, Average Variance Extracted, Full collinearity VIF and Q-squared are displayed in Table 6 as follows:

Table 6
Latent Variable Coefficients

	MISK	**PDDK**	**KPDK**	**TKRJ**	**IPMN**	**PTBH**	**SJTR**
R-Squared					0,692	0,425	0,580
Adj. Rsquared					0,664	0,343	0,531
Composite reliab	0,731	0,965	1,000	1,000	1,000	0,967	1,000
Cronbach alpha	0,266	0,946	1,000	1,000	1,000	0,932	1,000
Avg. var. extrac	0,577	3,902	1,000	1,000	1,000	0,936	1,000
Full.collin, VIF	2,291	3,925	3,354	1,334	3,937	1,284	1,960
Q-squared					0,702	0,690	0,570

Source: Output WarpPLS 7.0 – data processed 2021

Based on the results output, the Adjusted R-squared value for the IPMN variable is 0.692, which means that the influence of MISK, PDDK, KPDK, and TKRJ in explaining the variation of the variable criterion is 69.2 Percent, and other variables outside this research model influence the remaining 30.8 percent. Next is the Adjusted R-squared value for the SJTR variable of 0.580, which means that MISK, PDDK, KPDK, and TKRJ in explaining the variation of the variable criterion is 58.0 percent and other variables outside this research model influence the remaining 42.0 percent. Then the Adjusted R-square value for the PTBH variable of 0.425 means that MISK, PDDK, KPDK, and TKRJ in explaining the variation of the variable criterion is 42.5 percent and other variables outside the system influence the remaining 57.5 percent.
7) View Indirect and P Values
Furthermore, this analysis is carried out on the indirect effect between variables and can be displayed in Table 7 as follows:

Table 7
Indirect Effect and P Values

	MISK	**PDDK**	**KPDK**	**TKRJ**	**IPMN**	**PTBH**	**SJTR**
Indirect Effects for Path With 2 Segments							
PTBH	-0,051	-0,143	0,080	0,074	0,080		
SJTR	0,130	-0,030	0,080	-0,026			
Number of Paths with 2 Segments							
PTBH	2	2	2	2	1		
SJTR	1	1	1	1			

P Values of Indirect Effects for Paths with 2 Segments				
PTBH 0,358	0,148	0,284	0,298	0,208
SJTR 0,092	0,353	0,209	0,397	

Source: Output Warps 7.0 – data processed 2021

Based on the output, it can be concluded that the indirect effect two-way between MISK -> IPMN -> SJTR -> PTBH is negative and not significant or with path coefficient value -0.051 and P values = 0.358. The indirect effect of two paths between PDDK -> IPMN -> SJTR -> PTBH is negative and not significant or with path coefficient value -0.143 and P values = 0.148. The indirect effect of two paths between KPDK -> IPMN -> SJTR -> PTBH is positive and insignificant or has a path coefficient value of 0.080 and P values = 0.284. The indirect effect of two paths between TKRJ -> IPMN -> SJTR -> PTBH is positive and not significant or with a path coefficient value of 0.074 and P values = 0.298. The one-way indirect effect between MISK -> IPMN -> SJTR is positive and insignificant or has a path coefficient value of 0.130 and P values = 0.092. The one-way indirect effect between PDDK -> IPMN -> SJTR is negative and insignificant or has a path coefficient value of -0.030 and P values = 0.353. The one-way indirect effect between KPDK -> IPMN -> SJTR is positive and insignificant or has a path coefficient value of 0.080 and P values = 0.209. The one-way indirect effect between TKRJ -> IPMN -> SJTR is negative and insignificant or has a path coefficient value of -0.026 and P values = 0.397.
The one-way indirect effect between IPMN -> SJTR -> PTBH is positive and insignificant or has a path coefficient value of 0.080 and P values = 0.208. Thus, it can be concluded that the indirect influence between exogenous variables consisting of poverty, education, population and labor on endogenous variables in the form of economic development through the mediation of human development variables and prosperous families carried out through two channels or one path is not entirely significant.

2. Path Analysis Results Between Variables and Hypothesis Testing
Based on the results of path analysis, either directly or indirectly through Structural Equation Modeling (SEM) carried out through WarpPLS 7.0, and it has been able to answer the previously stated hypothesis. The results of the analysis can be summarised in Table 8 as follows:

No	Variabel Eksogen	Variabel Mediator	Variabel Mediator	Variabel Endogen	Direct Effect Path Coeff.	P-values	Info
1	Poverty	Human Development			-0,497	<0,001	S
2	Education	Human Development			0,145	0,144	TS
3	Total Population	Human Development			-0,307	0,010	S
4	Labor	Human Development			0,100	0,234	NS
5	Poverty	Prosperous Family			0,138	0,157	NS
6	Education	Prosperous Family			0,473	<0,001	S
7	Total Population	Prosperous Family			-0,276	0,018	S
8	Labor	Prosperous Family			-0,234	0,039	S
9	Poverty			Economic Development	-0,210	0,059	NS
10	Education			Economic Development	0,395	0,001	S

11	Total Population			Economic Development	-0,504	<0.001	S
12	Labor			Economic Development	-0,117	0,198	NS
13		Human Development		Economic Development	0,017	0,451	NS
14		Prosperous Family		Economic Development	-0,308	0,009	S
15		Human Development	Prosperous Family		-0,261	0,024	S

15   Human Development Prosperous Family   -0,261   0,024   S
Source: Processed from secondary data (data processed 2021)
Description:
P values < 0.05 (Significant/S)
P values > 0.05 (Not Significant/NS)
P values < 0.001 (if more less than 1% is significant/S)
Table 8 can be found, and confirmation of the hypothesis proposed previously in the results of the analysis in this study, starting from H1 to H15.

CONCLUSION

The conclusions to answer the hypothesis proposed in this study are as follows:
1.   Poverty has a negative and significant effect on human development. These results indicate that the higher the number of poor people, the lower the value of human development.
2.   Education has a positive and insignificant effect on human development. This shows that there is no significant impact of education on the development of humans.
3.   The population has a negative and significant effect on human development. This also shows that the higher the dependency ratio, the lower the value of human development.
4.   Labor has a positive and insignificant effect on human development. This also shows no significant role of the open unemployment rate on human development.
5.   Poverty has a positive and insignificant effect on prosperous families II. This shows that poverty does not contribute significantly to prosperous families II.
6.   Education has a positive and significant effect on prosperous families II. This condition illustrates that the increasing number of high school graduates who are equivalent will also increase the number of prosperous families II.
7.   The population has a negative and significant effect on prosperous families. This shows that the higher the dependency ratio, the more prosperous the family.
8.   Labor has a negative and significant effect on prosperous families II. This shows that the higher the unemployment rate, the lower the number of prosperous families II.
9.   Poverty has a negative and insignificant effect on GRDP at constant prices. This indicates that the number of poor people is insignificant to GRDP at constant prices.
10.   Education positively and significantly affects GRDP based on constant prices. This situation shows that the higher the number of graduates and the high school equivalent, the higher the GRDP at constant prices.
11.   The population has a negative and significant effect on economic development. This shows that the higher the ratio dependency, the lower the GRDP value at constant prices.
12.   Labor has a negative and insignificant effect on the development economy. This situation shows that the open unemployment rate is insignificant to GRDP at constant prices.
13.   Human development has a positive and insignificant effect on development economic. This shows that human development does not significantly impact GRDP at constant prices.
14.   Prosperous families have a negative and significant impact on development economics. This shows that the higher the number of prosperous families II, the lower the value of GRDP at constant prices.

15.   Human development has a negative and significant effect on prosperous families. This shows that the higher the value of human development will decrease the number of phase II prosperous families.

16.   In general, human development is influenced by poverty, and a prosperous family is influenced by population, labor and human development. Furthermore, economic development is influenced by education, population and prosperous families. The factor of a prosperous family dominates its impact on the success of economic development in East Kalimantan.

IMPLICATIONS AND FINDINGS OF THE RESEARCH

Several things can be considered as discoveries, and the implications of this research are as follows:

This also shows that the highest education completed at the high school level or equivalent does not significantly impact human development.   1) Education has a positive and insignificant effect on developing humans. Thus graduates of the highest educational level should be increased so that more people have a chance to boost productivity so the opportunity to earn an income will be greater and the standard of living is increasing.

This situation shows that the number of open unemployment rates is in a downward trend in all districts/cities in the province of East Kalimantan. Meanwhile, 2) Labor and positive effect no signification human development. This also shows that the open unemployment rate has no impact on human development.

In this case, the number of poor people is more dominated by the district area, while the prosperous II families are mostly in urban areas. 3) Poverty has a positive and insignificant impact on prosperous families. This indicates that the number of poor people has no impact on prosperous families II.

4) Poverty has a negative and insignificant effect on economic development. This shows that the number of poor people has no impact on GRDP at prices constant. The number of poor people is decreasing, but the value of GRDP at constant prices is increasing in all districts/cities.

5) Labor has a negative and insignificant effect on economic development. This shows that the open unemployment rate has no impact on the value of GRDP at constant prices. The open unemployment rate experienced a significant downward trend while the rate of GDP at constant prices only moves slowly with the rising trend.

6) Human development has a positive and insignificant effect on growth economic. It shows a pattern development human has no impact on the value of GRDP at prices constant. Human development was dominated by urban areas, which experienced a significant increase, while the value of GRDP at prices constant moved slowly, although with an increasing trend. This shows that people tend to invest rather than purchase goods and services.

This shows that the higher the open unemployment rate, the lower the number of prosperous families II. 7) The workforce has a negative and significant impact on prosperous families. The open unemployment rate will make the burden on the family heavier and burden prosperous families.

8) Prosperous family has a negative and significant effect on economic development. This shows that the role of the large number of prosperous families II will further suppress the value of growth economic. This means that a prosperous family II is a stage 2 prosperous family that has not been able to meet additional needs, which will increase the consumption of goods and services.

9) Human Development has a negative and significant effect on prosperous families. The higher the value of human development, the more the value of prosperous family II will decrease. This condition illustrates that human development shows the ability of the community to be able to access development results in obtaining income, health, education and so on. Meanwhile, prosperous family II is a family that can meet basic family needs, psychological, and development needs. The fulfilment of the value of human development will further reduce the level of needs for prosperous families II.

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