The Effect of Tourist Visits and Investment on Economic Growth

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Abstract

This study aims to analyze economic growth in Central Java Province; with the independent variables, namely the number of tourist visits in districts and cities in Central Java; investment in districts and cities in Central Java; and unemployment in urban districts in Central Java as intervening variables. This research uses quantitative research. The data used in this research is secondary data. The data analysis method uses path analysis (Path Analysis). The results showed that (1) tourist visits had no significant effect on unemployment; (2) Investment has a positive and significant effect on unemployment; (3) tourist visits have a positive and significant impact on economic growth directly; (4) investment has a positive and significant impact on economic growth directly; (5) unemployment has a positive and significant effect on economic growth; (6) tourist visits do not affect economic growth through unemployment; (7) investment has an effect on economic growth through unemployment.

Keywords: *Economic Growth, Tourist Visits, Investment, Path Analysis*

Abstrak

Penelitian ini bertujuan untuk menganalisis pertumbuhan ekonomi di Provinsi Jawa Tengah; dengan variabel bebasnya yaitu jumlah kunjungan wisatawan di kabupaten dan kota di Jawa Tengah; investasi di kabupaten dan kota di Jawa Tengah; dan pengangguran pada kabupaten kota di Jawa Tengah sebagai variabel intervening. Penelitian ini menggunakan jenis penelitian kuantitatif. Data yang di gunakan dalam penelitian ini adalah data sekunder. Metode analisis data mengunakan analaisis jalur (Path Analisis). Hasil penelitian menunjukkan bahwa (1) kunjungan wisatawan tidak berpengaruh signifikan terhadap pengangguran; (2) Investasi berpengaruh positif dan siginifikan terhadap pengangguran; (3) kunjungan wisatawan berpengaruh positif dan signifikan terhadap pertumbuhan ekonomi secara langsung; (4) investasi berpengaruh positif dan signifikan terhadap pertumbuhan ekonomi secara langsung; (5) pengangguran berpengaruh positif dan signifikan terhadap pertumbuhan ekonomi; (6) kunjungan wisatawan tidak bengaruh terhadap pertumbuhan ekonomi melalui pengangguran; (7) investasi berpengaruh terhadap pertumbuhan ekonomi melalui pengangguran.

Kata Kunci: Pertumbuhan Ekonomi, Kunjungan Wisatawan, Investasi, Analisis Path

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INTRODUCTION

Economic growth is an indicator of the running of economic activities both on a regional and national scale within a certain period of time. Economic growth is a process of changing the economic conditions of a country on an ongoing basis towards a better state for a certain period (Ernita et al., 2013). Economic growth during a certain period cannot be separated from developments in each sector or sub-sector that participate in forming added value for the economy of a region (Situmorang & Sugiyanto, 2011), in this case one of the sectors that encourage economic growth is the economic sector tourist.

Tourism is one of the main sectors that play a major role in the Indonesian economy. This sector is a big capital for the national economy because it is able to contribute to foreign exchange earnings, absorb labor, open up business opportunities, and contribute to government revenues (Cahaya, 2020). It was recorded that in 2017 the tourism sector contributed 9.8% to national foreign exchange income, 10% to national GDP, and absorbed 9.8 million workers or around 8.4% of the total national workforce (BPS, 2018).

Table 1. Number of Tourist in Central Java Province, 2015-2019

Year	Foreign of Tourist	Number of Tourist	Domestic Tourist
2015	421,131	33,675,525	33,254,394
2016	578,924	37,478,699	36,899,775
2017	781,107	40,899,577	40,118,470
2018	677,168	49,602,775	48,943,607
2019	691,699	58,592,562	57,900,863

Source: BPS Indonesia, 2020

In line with these developments, this was also followed by a positive development of tourist visits to the Central Java DTW. Even in 2019, Central Java was recorded as the province with the second highest number of tourist visits on the island of Java, after East Java Province (84.856,688 people) with a total visit of 58,592,562 people.

From table 1, in general, the total number of DTW visitors in Central Java Province continues to increase. The highest increase in visits occurred in 2018 where there was a 21.32% increase in visits from 2017. This contribution came from an increase in domestic tourist arrivals by 22%, while for foreign tourists it decreased by 13.31% from the previous year. However, in 2019 things gradually improved, where foreign tourist arrivals showed an increase of 2.15%. At least this is due to several factors including travel costs and infrastructure facilities that support tourism progress (Khasani & Arianti, 2014).

The positive trend that occurs in the development of tourist visits in Central Java is a great potential for regional economic development. Tourism is considered a strategic asset that will encourage regional development through three aspects including economic aspects (tax revenues, foreign exchange), social aspects (providing employment opportunities), and cultural aspects (Yakup, 2019). The number of tourist visits will open up business opportunities for the community, while for the government this is a source of regional income that comes from the collection of taxes, user fees, and the management of other tourism assets.

Judging from the expenditure structure of Central Java tourists listed in Table 1, the largest average expenditure is used for accommodation spending with a portion of 28.12%, thus accommodation is a vital need for tourists who

travel for a relatively long period of time or tourists who come from outside the tourist area.

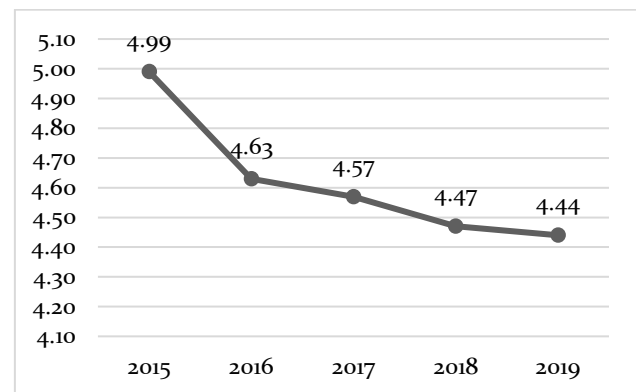**Table 2.** Structure of Central Java Tourist Expenditures in 2018

Output Type	Average Expenditure (IDR)	Distribution
Accommodation	546,934	28.12%
Eat and drink	276,773	14.23%
Travel agencies, operators and guides	124,480	6.40%
Local transportation	321,703	16.54%
Souvenir	251,488	12.39%
Performing arts/culture/recreation	162,407	8.35%
Health/beauty shopping	106,975	5.50%
Non-food industry shopping	65,157	3.35%
Shopping for food products	43,179	2.22%
Other tourism services	46,096	2.37%
Total	**1,945,192**	**100%**

Source: Ministry of Youth and Sports, 2019

From the various tourist expenditures, this illustrates that the tourism sector opens opportunities for various types of businesses such as hospitality or lodging, transportation services, food and beverage supply, various types of souvenir commodities, processed industries, and other tourism services. The more types of businesses operating, this also opens up opportunities for job opportunities as a source of income for the community around the tourism area.

The development of the tourism sector will open up the provision of jobs, both formal and non-formal (Indah et al., 2021). Based on Central

Java Tourism Statistics data in 2018, the total tourism workforce in tourist attractions is 17,818 people, while the workforce in accommodation is 19,565 people. When compared with the total workforce of Central Java in 2018 which amounted to 18,228,952 people, the workforce directly involved in the tourism sector is approximately 0.20% of the total workforce. Judging from the proportion of data this value is relatively small, but the role of the tourism sector which is able to move other business sectors is expected to create jobs or in other words contribute to reducing the unemployment rate in Central Java.

Figure 1. Development of the Open Unemployment Rate of Central Java in 2015-2019 (%)
Source: Central Java BPS, 2021

Figure 1 depicts the development of Central Java's TPT, it can be concluded that the unemployment rate continues to decline. If it is associated with the development of the number of tourist visits in Figure 1, the two have the opposite pattern or in other words have a negative relationship.

Not only will it reduce the unemployment rate, but tourist visits will also ultimately encourage the economic growth of a region. A

low unemployment rate indicates that most people have a source of income that can meet their daily needs. Along with the development of income, the economic activity of the community will also increase, thereby encouraging economic growth, basically tourism activity is a series of activities that involve various business sectors. This makes the tourism sector a strategic tool to trigger regional economic growth.

Table 3. The Role of the Tourism Sector to the GRDP of Central Java in 2018

Sector	IDR Million	Contribution
Electricity and gas supply	1,028,917.24	0.11%
Water Supply, waste management, waste and recycling	658,880.40	0.07%
Construction	98,393,741.01	10.45%
Transportation	31,051,747.72	3.30%
Provision of accommodation and meals	30,667,222.18	3.26%
GRDP	**941,283,278.28**	

Source: Ministry of Youth and Sports, 2019

In table 3 the tourism sector contributed to Central Java's GRDP in 2018 of IDR 941.28 billion or equivalent to 17.19% of the total GRDP. In detail, this role contributes to the movement of other business sectors such as electricity and gas procurement, water supply and waste management, construction, transportation, and accommodation and food provision. The largest contribution of the tourism sector is in the construction sector, which is 10.45% of the total GRDP. This is in line with government spending in the tourism sector which allocates

regional expenditures for the construction and development of tourism objects in Central Java. This step was taken so that the ranks of the Central Java DTW increasingly attract tourists to visit. Thus, when tourist visits increase, this will contribute to the growth of Central Java's GRDP through various business sectors.

Several studies analyzed the relationship between the tourism sector and regional economic growth, including (Aliansyah & Hermawan, 2019) which showed that the tourism sector was measured by the number of tourists, the number of hotel rooms, the number of restaurants, and government spending.

Table 4. Investment Development in Central Java in 2015-2019

Years	Target (IDR Trillion)	Achievements (IDR Trillion)	Achievements
2015	24	26.04	109%
2016	27.55	38.18	139%
2017	41.7	51.54	124%
2018	47.15	59.27	126%
2019	47.42	59.50	125%

Source: Investment and One-Stop Integrated Service Office, 2019

Basically, the tourism economic potential of an area is one of the factors that trigger the arrival of various types of investment. Investment or investment is the purchase of capital goods and production equipment to increase the ability to produce goods and services needed in the economy (Sutawijaya, 2010). Central Java Province is one of the regions that has a conducive investment climate. This is based on considerations of economic growth, availability of infrastructure, determination of salaries, ease of licensing, and the characteristics of the

community. Several investments have entered various sectors of Central Java, including in tourism manufacturing, infrastructure, agriculture, property, to energy. The development of investment in Central Java is also said to be very good, this can be seen in table 4.

The realization of Central Java's good investment achievement is expected to be a driver of economic growth and expansion of employment opportunities. Theoretically, Harrod-Dommar explains that investment is one of the main components of economic growth through capital accumulation. According to Sulistiawati (2012) the amount of investment will encourage economic growth through the absorption of labor, which indicates that the income and welfare of the community will also increase.

Based on the description above, the problem can be formulated as follows: Do tourist visits and investment have a direct and indirect effect on economic growth in Central Java Province? Do tourist visits and investment affect unemployment in Central Java Province? Does unemployment affect economic growth in Central Java Province?.

According to Sukirno (2011) economic growth is defined as the development of activities in the economy that causes the goods and services produced by the community to increase and the prosperity of the community to increase. So economic growth is measuring the achievement of the development of an economy from one period to the next. The ability of a country to produce goods and services will increase, this is caused by the increase in production factors both in quantity and quality.

According to Sholik's research (2013), the real economic advantage of the tourism industry is to bring in foreign exchange and the creation of jobs, besides that the tourism industry is an important factor because it is able to encourage the development of the national economy. For example, tourism is very effective in supporting the existence of small to large businesses so that it opens up job opportunities both regionally, nationally and internationally. So it can be said that the impact of tourism is a change in income and job creation.

Natural beauty and cultural wealth owned by a country can be used as capital in development, the tourism industry that continues to grow will be a good economic activity, because in general tourism has a goal to obtain economic benefits, both for the region and the tourism industry. From the demand side, the tourism industry has an impact on the economy, according to Ennew and Linberg in Ikhsan's research, (2017) Explaining that the economic impact of tourism activities is divided into three categories, namely, direct, indirect and induced impacts. The direct impact is from direct tourist expenditures such as costs for lodging, transportation, restaurants, and others.

Furthermore, the business unit that receives the impact will require labor and raw materials from other sectors, this is said to be an indirect impact (Inderect). If the sector employs workers, the expenditure of that workforce will have an induced impact.

According to Harrod-Domar Theory which states that capital formation is considered an expenditure that will increase the ability of an economy to produce goods and services (Jarniati, 2015), Harrod Domar's theory also states that investment not only creates demand, but also increases production capacity, meaning that the greater production capacity will require a larger

workforce, with the assumption of full employment, investment is the addition of factors of production where one of the factors of production is labor. With this, the economy as a whole can absorb as much labor as possible, thereby reducing unemployment (Kurniawan, 2014).

The theory of economic growth developed by the Neo-Classical emphasizes the role of capital owned by a country. Capital sourced from within the country will help the economy of a country. Domestic investment or also known as (PMDN) Domestic investment is considered to be able to encourage the economy of a developing country very well, where if the investment that occurs in the country has increased it will increase economic growth (Jufrida et al., 2016).

Economic growth is an important indicator in analyzing economic development that occurs in a country, briefly economic growth shows the extent to which economic activity has an impact on people's welfare in a certain period, economic growth can be known by calculating the development of the value of Gross Regional Domestic Product (GDP).

The results of research conducted by Muminin & Hidayat, R (2017) prove that economic growth has a significant negative effect on unemployment, which means that any increase in economic growth in an area will have an impact on the number of open unemployment, the results of research conducted by Safuridar (2017) also proves the same thing, namely economic growth can reduce the level of unemployment.

Tourism is one of the main sectors that play a major role in the Indonesian economy. This sector is a big capital for the national economy because it is able to contribute to foreign exchange earnings, absorb labor, open up business opportunities, and contribute to government revenues (Cahaya, 2020). According to research conducted by Pavlić (2012) shows that tourism is the driving force of the Croatian economy. Increasing tourism flows can bring many positive economic consequences for the host country, especially in terms of GDP, employment opportunities, income and foreign exchange earnings.

Theoretical and empirical studies on this subject reveal that tourism has a positive effect on employment. In addition to its direct impact on the travel and tourism sector it can generate additional employment through indirect and induced effects in many tourism supporting sectors. Absorption of labor will cause differences in the level of productivity and contribution to national income so that it will indirectly affect economic growth (Ismayanti, 2010).

Theoretically, Harrod-Dommar explains that investment is one of the main components of economic growth through capital accumulation. According to Sulistiawati (2012) the amount of investment will encourage economic growth through the absorption of labor, which indicates that the income and welfare of the community will also increase. The existence of investment will encourage the creation of new capital goods so that they will absorb new production factors, namely creating new jobs or job opportunities that will absorb labor and reduce unemployment (Wahyuni et al., 2014).

RESEARCH METHODS

The type of research used is quantitative research. Quantitative research focuses on problem solving by collecting, compiling, and analyzing existing data in the form of numbers using statistical methods through hypothesis testing (Sugiyono, 2014).

Quantitative Research examines the comparative causal relationship of the measured research variables (parametric). Comparative causal research is research that compares the causal relationship between two or more variables in different periods of time. This study aims to analyze the direct effect of the dependent variable through the intermediary variable with a path analysis approach.

The data used in this study is panel data (pooled data), which is a combination of time series data and cross section data. The data used is data from 35 districts and cities in Central Java Province, the type of data used in this study is secondary data, namely data obtained based on available data and which have been compiled and published by certain institutions or agencies sourced from reports from the Central Statistics Agency, the Tourism Office and previous research, it is vulnerable from 2015 to 2019.

According to Sugiyono (2014) Research Variables are everything in any form determined by the researcher to be studied so that information is obtained about it then conclusions are drawn, in this study consisting of independent variables (free), intervening (between) and dependent variables (bound).

According to Sugiyono (2014), the independent variable (free) is a variable that affects or is the cause of the change or the emergence of the dependent variable (bound), with the variable X1 Number of tourist visits X2 Investment.

According to Sugiyono (2014) states that intervening variables are "variables that theoretically affect the relationship between independent and dependent variables. The purpose of path analysis is to explain the direct and indirect effects of a set of variables, as causal variables, to other variables which are effect variables.

According to Sugiyono (2014), the dependent variable (bound) is a variable that is influenced or is the result, because of the independent variable, the dependent variable or the dependent variable in this study is economic growth.

In this study, path analysis uses the following regression equation:

$$Y_1 = \rho_1 X_1 + \rho_2 X_2 + \varepsilon ....(1)$$

Where Y_1 is Unemployment (Thousand of Souls), X_1 is Tourist Visits, X_2 is Investment (IDR Billion), $\rho_{1,2}$ is Regression Coefficient, ε is error term.

$$Y_2 = \rho_3 X_1 + \rho_4 X_2 + \rho_5 Y_1 + \varepsilon ....(2)$$

Where Y_2 is Economic Growth (IDR Billion), Y_1 is Unemployment (Thousand of Souls), X_1 is Tourist Visits (Thousand of Souls), X_2 is Investment (IDR Billion), $\rho_{3,4,5}$ is Regression Coefficient, ε is error term.

Path analysis is an extension of multiple linear regression analysis, or path analysis is the use of regression analysis to estimate causality between variables that have been determined previously based on theory. Path analysis is to analyze the pattern of relationships between variables which aims to determine the direct or indirect effect of a set of independent variables on the dependent variable.

RESULTS AND DISCUSSION

In the first equation, it will be described how the influence of Tourist Visits, Investment

on Unemployment (TPT). The statistical test for the first equation will start with the t test, then the F test and the R^2 test, the results of the data processing are through IBM SPSS Statistics 26. The form of the structural equation is as follows:

$$Unp = \rho_1 TV + \rho_2 Inv + \varepsilon_1 \dots\dots\dots\dots\dots\dots\dots(3)$$

Here are the results of the first regression:

Table 5. Partial Test

Model	Unstandardized Coefficients		Standardized Coefficients	t	Sig.
	B	Std. Error	Beta		
(Constant)	7.382	.861		8.571	.000
X1 (Tourist Visit)	.089	.059	.110	1.509	.133
X2(Investment)	.108	.030	.267	3.661	.000
Dependent Variable: Y1 (Unemployment)					

Source: IBM SPSS Statistics Output, 2021

Based on the results of the estimation model in the table 5 & 6, it can be seen that together the value of tourist visits and investment has a significant effect on unemployment at the 95% confidence level, which is indicated by the F-sig value smaller than = 0.05 (0.000 < 0.05).

Table 6. Test F Statistics

Model	Sum of Squares	df	Mean Square	F	Sig.
Regression	10.270	2	5.135	8.299	.000 [b]
Residual	106.427	172	.619		
Total	116.696	174			
Dependent Variable: Y1 (Unemployment)					
Predictors: (Constant), X2(investment), X1 (Tourist Visit)					

Source: IBM SPSS Statistics Output, 2021

The results of the Coefficient of Determination (R^2) test are known to have an R value of 0.088, this shows that together the variables of tourist visits and investment are able to provide an explanation of the unemployment variable of 0.88 percent and the remaining 99.12 percent is explained by other variables that are not included. in the temporary estimation model, and for the value of e1 we can find the formula $e_1 = \sqrt{(1-0.088)} = 0.954$.

Table 7. Coefficient of Determination

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	.297[a]	.088	.077	.786612942

a. Predictors: (Constant), X2 (Investment), X1 (Tourist Visit)

b. Dependent Variable: Y1 (Unemployment)

Source: IBM SPSS Statistics Output, 2021

In the second equation describes how the influence of tourist visits, investment on economic growth through unemployment, the structural test for the second equation will start with the t test, then the F test and R^2 test, the results of the data processing through IBM SPSS Statistics 26, The form of the structural equation is as follows following:

$$EG = \rho_3 TV + \rho_4 Inv + \rho_5 Unp + \varepsilon_2 \dots\dots\dots\dots\dots(4)$$

Based on the results of the estimation model in the table 8, it can be informed together that the value of tourist visits, investment, and unemployment has a significant effect on economic growth at the 95% confidence level,

indicated by the F-sig value smaller than = 0.05, (0.000 < 0.05). The following presents the results of the second regression:

Table 8. Partial Test

	Coefficients[a]				
	Unstandardized Coefficients		Standardized Coefficients		
Model	B	Std. Error	Beta	t	Sig.
(Constant)	10.632	.627		16.961	.000
X₁ (Tourist Visit)	.136	.036	.216	3.747	.000
X₂ (Investment)	.124	.019	.395	6.645	.000
Y₁ (Unemployment)	.280	.046	.360	6.022	.000
a. Dependent Variable: Y₂ (Economic Growth)					

Source: IBM SPSS Statistics Output, 2021

Table 9. Test F Statistics

	ANOVA[a]				
Model	Sum of Squares	df	Mean Square	F	Sig.
Regression	31.264	3	10.421	45.364	.000[b]
Residual	39.283	171	.230		
Total	70.547	174			

a. Dependent Variable: Y₂ (Economic growth)

b. Predictors: (Constant), Y₁ (Unemployment), X₁ (Tourist Visit), X₂ (Investment)

Source: IBM SPSS Statistics Output, 2021

The value of R2 or R Square contained in table 10 of the Summary model is 0.443, this indicates that the contribution or influence of tourist visits, investment, and unemployment on economic growth is 44.3 percent while the remaining 55.7 percent is a contribution from other variables. which is not included in this

study, while the value of ε can be found using the formula $\varepsilon = \sqrt{(1-0.443)} = 0.746$.
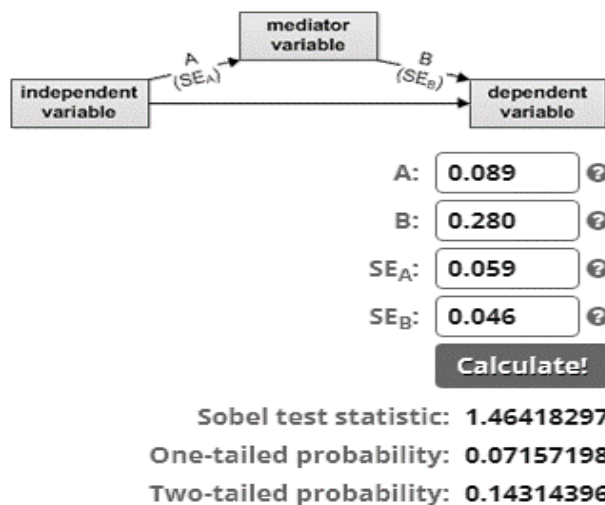
Table 10. Coefficient of Determination

	Model Summary[b]			
Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	.666[a]	.443	.433	.47929664

a. Predictors: (Constant), Y₁ (Unemployment), X₁ (Tourist Visit), X₂ (Investment)

b. Dependent Variable: Y₂ (Economic Growth)

Source: IBM SPSS Statistics Output, 2021

Calculation of direct and indirect effects:

Direct effect	=	0.136
Indirect effect	=	0.024
Total direct	=	0.160

Sobel test calculations through the Sobel Test Calculation application for Significance of Mediation.
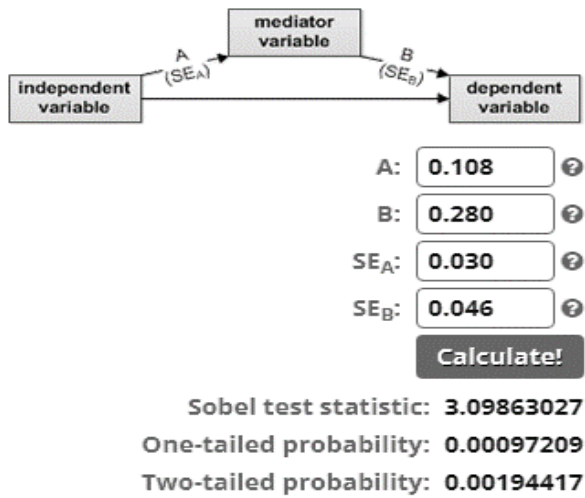

Figure 2. Sobel Test

Source: Research data processed through www.danielsoper.com

Calculation of direct and indirect effects:

Direct effect	=	0.124
Indirect effect	=	0.034
Total direct	=	0.158

Sobel test calculation through the Sobel Test Calculation appliacyion for Significance of Mediation.

Figure 3. Sobel Test
Source: Research data processed through www. danielsoper.com

The Unstandardized coefficient beta value is 0.089 and the t-stat value (1.509 <1.96) with a significance of 0.133 > 0.05, meaning that tourist visits (X1) have a positive and insignificant effect on unemployment (Y1), which means that any increase or decrease in visits tourists in urban districts in Central Java Province in 2015-2019 did not affect the existing unemployment.

The results of this study are in accordance with the research conducted by Khoirunnisa (2020) which states that the number of tourist visits does not significantly affect the open unemployment rate in NTB. Another study by Wirandhika (2020) also stated that the number of tourists did not have a significant effect on employment in the short term but had an effect in the long term. These results indicate that the large number of tourists who attend has not been able to affect the existing unemployment, this happens because tourists are not present all the time, so workers who make work in the tourism sector as their main job can lose their jobs once tourists return to their area.

Unstandardized coefficient beta value is 0.108 and t-stat value (3.661> 1.96) with a significance smaller than = 0.05 (0.000 < 0.05), meaning that investment (X2) has a positive and significant effect on unemployment (Y1). This means that every increase in investment in urban districts in Central Java Province in 2015-2019 affects existing unemployment, and every 1 percent increase in investment will increase unemployment by 0.108%.

This result is not in accordance with the results of Tirta's research (2013) which shows that every increase in investment will reduce the number of unemployed, on the contrary if investment decreases, the number of unemployed will increase, and in Hafiizh's research (2015) shows that investment has a negative and significant effect on unemployment in the Province of NTB. , where an increase in investment leads to an increase in production capacity which requires more labor in the process.

However, if the investment invested is capital intensive, making investment does not affect the labor market, this research is not in accordance with the theory of the relationship between investment and unemployment, based on Harrod Domar's theory also states that investment not only creates demand, but also increases production capacity. This means that the greater the production capacity, the greater the need for labor. With the assumption of full employment, investment is the addition of factors of production where one of the factors of

production is labor.

However, the results of this study are in accordance with the research conducted by Mentari & Yasa (2016) where one of the results states that the amount of investment has a positive and significant effect on the unemployment rate of districts / cities in the province of Bali, this is caused by companies that prefer to use machine labor rather than humans for labor efficiency, so that the increase in investment does not affect the available labor market.

Unstandardized coefficient beta value is 0.136 and t-stat value (3.747 > 1.96) with a significance smaller than = 0.05 (0.000 < 0.05), meaning that tourist visits (X1) have a positive and significant effect on Economic Growth (Y2) , it can be interpreted that every increase in tourist arrivals in urban districts in Central Java Province in 2015-2019 affects existing economic growth, and every 1 percent increase in tourist visits will increase economic growth by 0.136%.

The results of this study are in accordance with research conducted by Damayanti & Kartika (2016) which states that tourist visits have a positive and significant effect on economic growth in Bali Province, and other research conducted by Sari et al. (2019) also states that the number of tourists has a positive and significant effect on economic growth. on economic growth in Jambi City, this is because tourists are recorded to stay at hotels in Jambi city, this affects economic growth in Jambi City.

Unstandardized coefficient beta value is 0.124 and t-stat value (6.645>1.96) with a significance smaller than = 0.05 (0.000 <0.05), meaning that investment (X2) has a positive and significant effect on Economic Growth (Y2), It can be interpreted that every increase in investment in districts and cities in Central Java Province in 2015-2019 affects existing economic growth, and every 1 percent increase in investment in will increase economic growth by 0.124%.

The results of this study are in accordance with research conducted by Agustini & Kurniasih (2017), which shows that investment returns have a positive and significant effect on economic growth, the greater the investment received by an area, it will be followed by increased economic growth. The results of this study are in accordance with the theory of economic growth developed by Harrod-domar which emphasizes the role of capital owned by a country. Capital sourced from within the country and abroad will help the economy of a country.

Unstandardized coefficient beta value is 0.280 and t-stat value (6.022>1.96) with a significance smaller than = 0.05 (0.000 <0.05), meaning that unemployment (Y1) has a positive and significant effect on Economic Growth (Y2), it can be interpreted that every increase in unemployment in urban districts in Central Java Province in 2015-2019 affects existing economic growth, and every 1 percent increase in unemployment increases economic growth by 0.280%.

This research is in accordance with research conducted by Ronaldo (2019) which states that unemployment has a significant and positive effect on the economy in Indonesia, this is also supported by research conducted by Kalsum (2016) which concludes that unemployment has a significant effect on growth economy in North Sumatra. This means that when unemployment increases, economic growth increases.

Based on this research also shows that Okun's law is proven not to be appropriate in the

economy in Central Java Province because it is different from the original coefficient of Okun's law. The value of the Okun coefficient of significance level is quite small empirically. This shows that the unemployment rate in Central Java Province is not responsive to changes in real output for the following reasons: (a) There is structural/frictional unemployment in the Indonesian economy. (b) There are differences in economic structure between developing countries and developed countries.

In developing countries, labor incentives are still dominant than labor skills. Both of these causes the unemployment rate to be counter-cyclical. (c) The relationship between the real output growth variable and the unemployment rate is not proven to influence each other. This study only finds statistically that the real output growth variable affects the unemployment rate in the long run. This is due to the existing economic structure in Central Java, almost most of the absorption of labor is still supported by the agricultural sector and the informal sector. The government should encourage productive growth and absorb a lot of labor, not capital-intensive growth.

This study shows that there is no influence of tourist visits through unemployment on economic growth, this is not in accordance with the research Gorica et al. (2010) which explains the role of the tourism industry in the economy is a very long chain that accommodates many job opportunities for surrounding community. This sector also causes people's income to increase from the sale of goods and services, so that in the long term it is possible for tourism to affect economic growth through unemployment.

This study shows that there is an effect of investment through unemployment on economic growth, because one of the important variables in encouraging economic growth is investment. According to Harrod-Domar to be able to grow, it is necessary to have an investment that is able to increase the net in the capital stock of (Todaro et al, 2011). In addition, investment is needed to increase economic growth, with investment being able to open new businesses and to optimize production capacity, as well as being able to open new jobs that can absorb labor so as to reduce unemployment (Prayuda et al., 2015).

CONCLUSION

The results of the path analysis test, directly the tourist visit variable has a positive and insignificant effect on unemployment in urban districts in Central Java Province. This shows that the number of tourist visits does not affect the number of unemployed in districts or cities in Central Java Province.

The results of the path analysis test, directly the Investment variable has a positive and significant effect on unemployment in urban districts in Central Java Province, the regression results show that when investment increases, unemployment will also increase because investment is capital intensive so that labor is not absorbed.

The results of the path analysis test, directly the variable of tourist visits has a positive and significant effect on economic growth in urban districts in Central Java Province. This shows that the number of tourist visits is able to increase economic growth in districts or cities in the province of Central Java.

The results of the path analysis test show that the investment variable directly has a positive and significant effect on economic growth in urban districts in Central Java Province. this shows that investment is able to increase economic growth in districts or cities in Central

Java Province.

The results of the path analysis test show that the unemployment variable has a positive and significant effect on economic growth. The regression results show that when unemployment increases, economic growth also increases, because the economic structure in Central Java, almost most of the absorption of labor is still supported by the agricultural sector. and the informal sector, and economic growth in Central Java which is capital intensive.

The results of the Path analysis test with the Sobel test indirectly that the Tourist Visit variable on economic growth through unemployment has no and no significant effect on economic growth, which means indirectly the number of tourist visits does not contribute to increasing economic growth through the unemployment rate in the Regency or City in Central Java Province.

Path analysis results with the Sobel test indirectly the investment variable on economic growth through unemployment has a significant and significant effect on economic growth, which means that investment indirectly contributes to increasing economic growth through the unemployment rate in districts or cities in Central Java Province.

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