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#### **JOURNAL**

The Influence of Macroeconomic Conditions on Indonesian People's Consumption Expenditures: Empirical Study 1986-2022

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#### **ABSTRACT**

This research aims to analyze the influence of per capita income, open unemployment rate, and inflation rate on consumption levels of Indonesian society from 1986 to 2022. This research uses quantitative research methods as the research method and multiple linear regression analysis methods as the analysis method, which is used with the help of the SPSS application. The results of this research show that per capita income and the open unemployment rate have a significant influence on the consumption level of Indonesian people from 1986-2022, while the open unemployment rate has an insignificant influence on the consumption level of Indonesian people from 1986-2022. The results of this research can be a valuable guide for the government and decision-makers in making better economic policies, improving people's welfare, and providing additional insight to all of us about the level of consumption of Indonesian people from time to time, in the longer term by providing a better understanding for all of us about the factors that can influence the level of consumption of Indonesian society.

#### **Keywords:**

income, unemployment, inflation, society, consumption

#### **BACKGROUND**

In living everyday life, humans have various kinds of needs that need to be met. These needs certainly need to be met by humans for the sake of survival. Consumption activities carried out, both to fulfill basic human needs such as food, clothing, and shelter, as well as other needs such as health, entertainment, education, and so on, cannot be avoided in fulfilling human needs. Throughout their lives, humans will continue to carry out consumption activities, so consumption activities become a very important part of human life. Therefore, production activities of goods and services need to be carried out, to meet demand from society, so that production activities are closely related to consumption activities (Wati et al., 2019).

According to the Sampoerna Academy (2022), Indonesia's large population, even the fourth largest in the world, makes Indonesia an archipelagic country. This fact is one of the reasons for the high level of consumption in Indonesian society (Sampoerna Academy, 2022). Based on analysis carried out by researchers from BPS data, Indonesian people's consumption continues to increase every year, except in 1998 and 2020. The following is detailed data on the amount of Indonesian household consumption for 1986-2022, obtained from data belonging to the Central Statistics Agency for 1986-2022.



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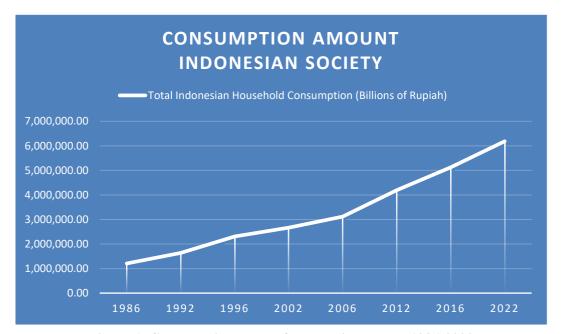


Figure 1. Consumption Level of Indonesian People 1986-2022

**Source: Central Statistics Agency (2023)** 

There are several reasons why research into the consumption levels of Indonesian society needs to be carried out. One of the main reasons this research needs to be carried out is because the consumption activities of Indonesian people always make a large contribution to Indonesia's GDP every year. Based on data obtained by researchers from BPS, national GDP always contributes more than 50% of Indonesian people's consumption every year, starting from 2010-2022. Therefore, the government's policy to increase the consumption of Indonesian people, especially when the country's economy is experiencing obstacles, is considered to be very appropriate. This policy can help to encourage Indonesia's economic growth and improve people's welfare.

Even though the consumption level of the majority of Indonesian people continues to increase every year, this does not rule out the fact that there are problems currently occurring in Indonesian people's consumption. Based on data obtained by researchers from BPS, the consumption level of Indonesian society every year is still dominated by the consumption of food and drinks (for processing and self-consumption) in the last 13 years, with an average of 37% of the consumption level of Indonesian society as a whole in every year, namely in 2010-2022. This shows that the majority of Indonesian people only focus on meeting their needs for food and drink, as the main need for survival.

Meanwhile, Indonesian people's consumption for other needs, such as the need for shelter, clothing, health, and education, as well as other important needs, still cannot be met by the majority of Indonesian people. The needs that cannot be fulfilled by the majority of Indonesian people are needs that are included in primary and secondary needs. These needs certainly need to be met because they are related to survival, improving the quality of life, and community welfare. This statement can be proven by researchers, through consumption data of Indonesian people in the last 13 years, which has been obtained and processed by researchers from the Central Statistics Agency (BPS).

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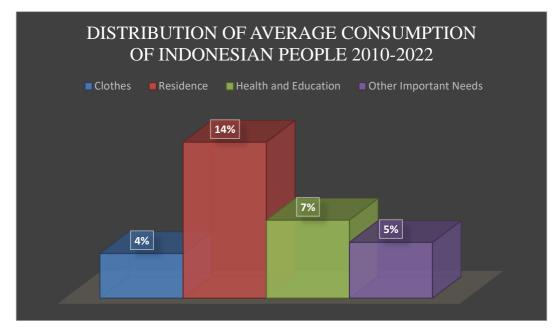


Figure 2. Distribution of Average Consumption of Indonesian People

**Source: Central Statistics Agency (2023)** 

# THEORETICAL FRAMEWORK

#### Consumption

Mankiw (2013) defines consumption as a form of expenditure to purchase goods and services. These goods include durable goods, perishable goods, as well as services such as education and health services (Yudanto et al., 2020). Meanwhile, Masagus (2007) defines the total amount of expenditure to obtain goods and services needed within a certain period as consumption (Rosmalina & Hakim, 2020). Sukirno (2005) suggests that the consumption function refers to an equation that explains the relationship between income available for use and individual or household consumption levels. In its concept, consumption has two main elements, namely autonomous consumption and induced consumption. The following is the equation form of the consumption function which is influenced by disposable income:

$$C = a + bYd$$
 .....(1)

#### Information:

C : Household Consumption Value а : Autonomous Consumption

b : Marginal Propensity to Consume (MPC)

Υd : Disposable Income

Autonomous consumption describes household consumption that continues even though the house does not have any income. This consumption expenditure can be funded in advance from savings that have been accumulated in the past or through borrowing (dissaving). Meanwhile, income that is ready to be spent, or what is usually called disposable income is income obtained by a household as a form of compensation for the production factors that have been provided, of course after this income has been reduced by taxes first. Disposable income itself can be expressed in the following equation:



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Yd = Y - T ..... (2)

Information:

Yd : Disposable Income Y : Household Income

T : Tax

Apart from that, there is a tendency for marginal consumption or what is usually called MPC. MPC itself is a metric that reflects the additional percentage of income for consumption activities by households, with a value ranging from 0 to 1. Meanwhile, the average consumption propensity is often referred to as the average propensity to consume (APC). APC is a metric that describes the ratio between total expenditure on consumption activities and disposable income. APC itself will generally decrease as income increases based on Keynesian consumption theory. The representation of MPC and APC itself can be conveyed through the following equations:

MPC =  $\Delta C/\Delta Yd$  ......(3)

Information:

MPC : Marginal Propensity to Consume (MPC)

ΔC : Increase in ConsumptionΔYd : Increase in Disposable Income

APC = C/Yd .....(4)

Information:

APC : Average Propensity to Consume (APC)

C : Consumption Expenditures

Yd: Disposable Income

#### **Income Per Kapita**

Sukirno (2006) defines the average income of a country's people as having the same meaning as per capita income. Per capita income figures can be obtained by dividing national income in a particular year by the population of a country in the same year. Per capita income can be calculated to serve as an economic indicator in measuring the level of welfare of the population in an area. According to Alam (2007), per capita income is usually calculated once a year, with several benefits. The first is to monitor and analyze changes in the level of community welfare from year to year. Second, it measures the level of prosperity of a country's people compared to other countries. Third, compare the level of living standards of the people of a country compared to other countries. The latter is a source of relevant data in decisions or policy-making in the economic sector.

# **Open Unemployment Rate**

According to Sukirno (2019), unemployment is a common problem faced by every society. This problem can create negative social and economic impacts (Sukirno, 2019). Sukirno's opinion is reinforced by Samuelson (2001), where high unemployment is a complex social and economic problem. Socially, unemployment can cause poverty, inequality, and crime. Meanwhile, economically, unemployment causes a loss of productivity and income (Samuelson & Norhaus, 2001). According to Alamro (2016) over the past few decades, unemployment has become one of the most serious problems faced by many countries in the world. Alamro's statement is in line with the opinion of Hong (2016) where the problem of unemployment has become a significant concern for most countries in the world, one of which is for countries in ASEAN. The increasing unemployment rate is a challenge for many countries, especially ASEAN countries which are experiencing difficulties in economic development (Irushad et al., 2023).



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#### **Inflation Rate**

In general, almost all countries in the world, both developed and developing ones like Indonesia, consider inflation to be one of the main problems in the economy. Paradiso (2012) defines a general and sustainable increase in price levels over a certain period as inflation (Muttaqim et al., 2019). A similar definition regarding inflation was also presented by Nurasila (2019) where inflation is a general increase in prices which causes the purchasing power of money for goods or services to decrease. The value of existing money will decrease if the price of a good or service increases higher. Meanwhile, a different definition of inflation was presented by Nailufar (2022), namely that inflation is a phenomenon that occurs in the monetary sector, where an increase in the amount of money in circulation exceeds people's ability to save and own that money, causing this condition.

# The Relationship between Income Per Kapita and Consumption

Per capita income is an important factor for a country, because if a country's per capita income increases, then the consumption level of the people of that country will also definitely increase, which will lead to an increase in the welfare of the people in that country (Lailani & Maulida, 2022). Income can encourage people's consumption levels so that if people's income increases, people's consumption levels will also increase. Not only does it increase quantity, but per capita income can also improve the quality of goods consumed by the public. Yanti (2019) explains the same thing that the quality and quantity of goods or services consumed by a person is reflected by the income that person has. The higher income earned by society increases the quantity and quality of goods or services consumed by society. Increasing a person's purchasing power due to income makes a person's ability to choose and buy various types of goods and services higher (Yanti & Murtala, 2019).

#### The Relationship between Open Unemployment Rate and Consumption

A society where the majority of the population is employed is certain to be well off and have a high level of welfare. However, because the word majority has a different meaning to all, we can conclude that there are still people who are unemployed or have not found work. Unemployment is a factor that can reduce the level of welfare of society as a result of reducing the amount of people's consumption of needed goods and services. This statement is in line with the opinion of Yogatama (2010) that unemployment has a negative impact in the form of reduced people's income, which leads to a reduction in the level of people's welfare. The lower the welfare of a community due to the large number of unemployed, the greater the opportunity for that community to be trapped in a cycle of poverty because they have no income (Puspitasari, 2017).

#### The Relationship between Inflation Rate and Consumption

Inflation has a close relationship with people's consumption levels. This is because the increase in prices of goods and services can cause a decrease in the amount of public consumption. Therefore, the amount of people's consumption may decrease due to increasing inflation, so low-income people will tend to hold back consumption for secondary goods or look for substitutes for goods that are expensive, but still have the same benefits. This is confirmed by Guritno (1998) who states that inflation causes income to experience a decline in real value due to rising prices of existing goods and services, this causes purchasing power to weaken, especially for domestic products, which leads to a decrease in the amount of public consumption (Alitasari & Yasa, 2018).

## **METHOD**

According to Nadra (2018) variables that are used as research objects in quantitative research methods must be defined in the form of variable operationalization first, for each research variable. In this research method, presenting hypotheses and testing the hypotheses that have been submitted also need to be carried out, to determine the next stages of the quantitative research method, one of which is the analytical method that will be used. In general, testing theories, building facts, and showing the relationships between variables in a study are the main goals of quantitative research methods (Nadra, 2018).



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Meanwhile, the analytical method used in this research is the multiple linear regression analysis method with the help of the statistical data analysis application, namely SPSS. As we know, the multiple linear regression method is a form of development of the simple linear regression analysis method, which consists of two or more independent variables with one dependent variable. This analysis method has the aim of finding out how big and in what direction the influence of the existing independent variables is on the dependent variable (Riduwan, 2018). The following is a general linear regression equation, which can be formulated as follows:

$$Y = a + b_1 \cdot X_1 + b_2 \cdot X_2 + b_3 \cdot X_3 + ... + b_i \cdot X_i + e$$
 ......(5)

#### Information:

Y : Dependent Variable

a : Constant

b : Regression CoefficientsX : Independent Variable

# RESULT Basic Assumptions Test Normality Test

#### One-Sample Kolmogorov-Smirnov Test Unstandardiz ed Residual 36 Normal Parameters a,b 0000000 Mean Std. Deviation 174803.2881 Most Extreme Differences Absolute Positive .097 Negative -.120 Test Statistic .120 200°.d Asymp. Sig. (2-tailed)

- a. Test distribution is Normal.
- b. Calculated from data.
- c. Lilliefors Significance Correction.
- d. This is a lower bound of the true significance.

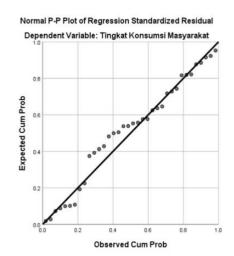


Figure 3. Normality Test Result

Source: Data Processed (2023)

Based on the results of the normality test using the Kolmogorov-Smirnov test in the image above, we can see that the significance value (Asymp. Sig) is 0.200. Because the significance value (Asymp. Sig)  $\geq$  0.05, we can conclude that the data is normally distributed. Apart from that, based on the results of the normality test using the Normal Probability Plot test in the picture above, we can also see that the data is spread around the diagonal line and follows the direction of the diagonal line. Therefore, we can conclude that the data is normally distributed.



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#### **Linearity Test**

#### ANOVA Table

			Sum of Squares	df	Mean Square	F	Sig.
Tingkat Konsumsi Masyarakat * Tingkat Pengangguran Terbuka	Between Groups	(Combined)	8.401E+13	33	2.546E+12	11.001	.087
		Linearity	8.594E+12	1	8.594E+12	37.139	.026
		Deviation from Linearity	7.541E+13	32	2.357E+12	10.184	.093
	Within Groups		4.628E+11	2	2.314E+11		
	Total		8.447E+13	35			

Figure 4. Linearity Test Result

**Source: Data Processed (2023)** 

Based on the results of the linearity test using the Test for Linearity test in the image above, we can see that the significance value for Deviation from Linearity is 0.093. Because the significance value for Deviation from Linearity is  $\geq 0.05$ , we can conclude that the relationship between the dependent variable and the independent variable in this study is linear.

# Classic Assumptions Test Multicollinearity Test

#### Coefficients

		Unstandardized Coefficients		Standardized Coefficients			Collinearity Statistics	
Model		В	Std. Error	Beta	t	Sig.	Tolerance	VIF
1	(Constant)	-1505010.113	165144.146		-9.113	.000		
	Pendapatan Per Kapita	186.795	4.885	.973	38.242	.000	.611	1.636
	Tingkat Pengangguran Terbuka	-20343.131	14485.035	032	-1.404	.170	.779	1.284
	Tingkat Inflasi	-28286.735	10637.634	063	-2.659	.012	.700	1.428

a. Dependent Variable: Tingkat Konsumsi Masyarakat

Figure 5. Multicollinearity Test Result

Source: Data Processed (2023)

Based on the Coefficients table above, we can see that the tolerance value of the three independent variables, including per capita income, open unemployment rate, and inflation rate, has a tolerance value > 0.1 and a VIF value < 10. Therefore, we can conclude that the regression model used does not experience multicollinearity problems.



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# **Heteroscedasticity Test**

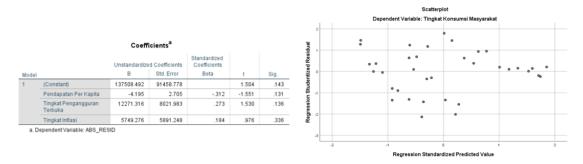


Figure 6. Heteroscedasticity Test Result

Source: Data Processed (2023)

Based on the Coefficients table above, it can be seen that the significance value for variable X1 is 0.131, variable X2 is 0.136, and variable X3 is 0.336. Because the significance value of each independent variable is  $\geq$  0.05, it can be concluded that the regression model used does not experience heteroscedasticity problems. Apart from that, based on the results of the heteroscedasticity test using a scatterplot in the image above, we can see that the points are spread in an unclear pattern by being above and below the number 0 on the Y-axis. Therefore, we can conclude that the model the regression used does not experience heteroscedasticity problems.

#### **Autocorrelation Test**

# Model Summary<sup>b</sup>

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate	Durbin- Watson
1	.978ª	.956	.952	147687.4176	1.672

a. Predictors: (Constant), Tingkat Inflasi, Tingkat Pengangguran Terbuka, Pendapatan Per Kapita

Figure 7. Autocorrelation Test Result

Source: Data Processed (2023)

Based on the results of the autocorrelation test in the image above, we can see that the d (Durbin-Watson) value obtained from the regression results is 1.672. Meanwhile, based on the Durbin-Watson table in the image above, we can see that the dL and dU values are 1.2953 and 1.6539, at a significance level of 0.05, the amount of data is 36, and the number of independent variables is 3. Because the Durbin-Watson value from the regression results is between the du and 4-du values (1.6539 < 1.672 < 2.3461), it can be concluded that the regression model used does not experience autocorrelation problems.

b. Dependent Variable: Tingkat Konsumsi Masyarakat



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# Hypothesis Testing Multiple Linear Regression Analysis

# Coefficients<sup>a</sup>

		Unstandardized Coefficients		Standardized Coefficients		
Model		В	Std. Error	Beta	t	Sig.
1	(Constant)	-1505010.113	165144.146		-9.113	.000
	Pendapatan Per Kapita	186.795	4.885	.973	38.242	.000
	Tingkat Pengangguran Terbuka	-20343.131	14485.035	032	-1.404	.170
	Tingkat Inflasi	-28286.735	10637.634	063	-2.659	.012

a. Dependent Variable: Tingkat Konsumsi Masyarakat

Figure 8. Multiple Linear Regression Analysis Result

Source: Data Processed (2023)

Based on the image of the results of the multiple linear regression analysis, the following things can be explained, including:

- 1. Regression equation = -1,505,010.113 + 186.795X1 20,343.131X2 28,286.735X3
- 2. The constant ( $\alpha$ ) is -1,505,010.113, indicating that if the variables per capita income, open unemployment rate, and inflation rate are fixed or constant, then the average level of public consumption is -1,505,010.113
- 3. The regression coefficient ( $\beta_1$ ) is 186.795 which means that if there is an increase or increase in per capita income by 1 unit, the level of public consumption will increase by 186.795 with the assumption that the open unemployment rate and the inflation rate are fixed or constant.
- 4. The regression coefficient ( $\beta_2$ ) is -20,343.131 which means that if there is an increase or increase in the open unemployment rate by 1 unit, the level of public consumption will decrease by 20,343.131 assuming that per capita income and the inflation rate are fixed or constant.
- 5. The regression coefficient ( $\beta_3$ ) is -28,286.735 which means that if there is an increase or increase in the inflation rate by 1 unit, the level of public consumption will decrease by 28,286.735 with the assumption that per capita income and the open unemployment rate are fixed or constant.

#### **Coefficient of Determination Test**

# Model Summary

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	.994ª	.987	.986	182813.6546

a. Predictors: (Constant), Tingkat Inflasi, Tingkat Pengangguran Terbuka, Pendapatan Per Kapita

Figure 9. Coefficient of Determination Test Result

Source: Data Processed (2023)



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Researchers conducted a coefficient of determination test and obtained an R² value of 0.987 and an Adjusted R² value of 0.986 from the regression model used. Riyanto and Hatmawan (2020) argue that the Adjusted R² value surpasses the R-value as the superior metric for regression model quality. The Adjusted R² value is the leading indicator in assessing the quality of the regression model chosen by the researcher as a result of the coefficient of determination test. The value chosen is 0.986. This value shows that the current independent variables, such as per capita income, open poverty level, and inflation rate, collectively contribute an impact of 98.6% to the dependent variable, namely the level of public consumption. Meanwhile, it should be noted that the additional impact of 1.4% on the dependent variable is influenced by variables outside the scope of this research.

#### **Partial Test (T-Test)**

#### Coefficientsa

		Unstandardized Coefficients		Standardized Coefficients		
Model		В	Std. Error	Beta	t	Sig.
1 .	(Constant)	-1505010.113	165144.146		-9.113	.000
	Pendapatan Per Kapita	186.795	4.885	.973	38.242	.000
	Tingkat Pengangguran Terbuka	-20343.131	14485.035	032	-1.404	.170
	Tingkat Inflasi	-28286.735	10637.634	063	-2.659	.012

a. Dependent Variable: Tingkat Konsumsi Masyarakat

Figure 10. T Test Result

Source: Data Processed (2023)

According to the T SPSS test results conducted by the researcher in the mentioned image, the following values were obtained:

- 1. The calculated t value for variable X1 which represents per capita income is 38.242. For comparison, the value obtained from the t table is 1.69389. The observed t value is greater than or equal to the table t value, leading us to the conclusion that per capita income has a significant impact on people's consumption levels. The researchers' findings from the SPSS T test carried out increasingly support this statement. The SPSS T test carried out by the researcher produced a significance value of 0.000. Meanwhile, the significance value required in this research is 0.05. It can be concluded that the level of public consumption is greatly influenced by per capita income because the significance value is equal to or less than 0.05.
- 2. The calculated value for variable X3 which represents the open unemployment rate is -1.404. For comparison, the t-table value is 1.69389. The absolute value of the calculated t value should be used because the t value is negative. Thus, with the calculated t value of 1.404 which is smaller than the t table value, it can be concluded that the open unemployment rate has an insignificant influence on the level of public consumption. This statement is further strengthened by the researcher's analysis of the significance values obtained through the results of the SPSS T-test. Researchers obtained a significance value of 0.170 through the SPSS T-test. Meanwhile, this research requires a significance value of 0.05. The open unemployment rate has an insignificant influence on the level of public consumption, which is indicated by a significance value greater than 0.05.



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3. The calculated value for variable X3 which represents the inflation rate is -2.659. This value is compared with the t-table value of 1.69389. The t value obtained appears to be smaller than the table t value, but we must consider the absolute value of the calculated t value. The calculated t value is 2.659, greater than or equal to the t table value. The significant impact of the inflation rate on people's consumption levels can be concluded from this information. This statement is further supported by the significance value obtained from the SPSS T test carried out by researchers. The researcher carried out the SPSS T test which produced a significance value of 0.012. In this research, a significance value of 0.05 is required. Therefore, it can be concluded that the inflation rate has a significant effect on people's consumption levels because the significance value is less than or equal to 0.05.

#### **Simultaneous Test (F Test)**

# **ANOVA**<sup>a</sup>

Model		Sum of Squares	df	Mean Square	F	Sig.
1	Regression	8.340E+13	3	2.780E+13	831.806	.000 <sup>b</sup>
	Residual	1.069E+12	32	3.342E+10		
	Total	8.447E+13	35			

- a. Dependent Variable: Tingkat Konsumsi Masyarakat
- b. Predictors: (Constant), Tingkat Inflasi, Tingkat Pengangguran Terbuka, Pendapatan Per Kapita

Figure 11. F Test Result

Source: Data Processed (2023)

The SPSS calculated F test carried out by the researcher produced a calculated f value of 831.806. So the researcher obtained an f table value of 2.91. The fact that the calculated f value is greater than or equal to the table f value leads to the conclusion that the independent variable used in this research has a significant influence on the dependent variable. Other researchers' findings from the SPSS F test results increasingly support this statement. The researcher carried out an F test which produced a significance value of 0.000. On the other hand, a significance value of 0.05 is required for significant results in this research. A significance value equal to or less than 0.05 provides the conclusion that the independent variable used in this research has quite a large influence on the dependent variable.

#### **DISCUSSION**

# The Effect of Income Per Kapita on Indonesian People's Consumption Level 1986-2022

The results of this research show that per capita income has a positive and significant effect on the level of consumption of Indonesian people in 1986-2022, with a regression coefficient value of 186.795. This can be interpreted as if per capita income increases by one unit, then the level of public consumption will increase by 186.795. The results of this research support the absolute income hypothesis theory put forward by Keynes as well as the results of several previous studies conducted by Diki Setiawan and Syamsul Amar (2022), Zarkasi and Lidya Hidayah (2021), Hijri Juliansyah and Nurbayan (2018), Daru Yudanto et al. al. (2020), and Fanny Nailufar et al. (2022). Therefore, based on the hypothesis formulation put forward by the researcher in the previous section, it can be concluded that h₀ is rejected and h₁ is accepted.



# **International Journal of Current Economics & Business Ventures**

https://scholarsnetwork.org/journal/index.php/ijeb

# The Effect of Open Unemployment Rate on Indonesian People's Consumption Level 1986-2022

The results of this research show that the open unemployment rate has a negative and insignificant effect on the consumption level of Indonesian society in 1986-2022, with a regression coefficient value of -20,343.131, which means that if the open unemployment rate increases by one unit, then the level of public consumption will decrease by 20,343.131. The results of this research support the relative income hypothesis theory put forward by Keynes as well as the results of several previous studies conducted by Dian Saputra et al. (2023), Sandra Dewi Puspitasari (2017), and Nesra Rahmadani (2019). Therefore, based on the hypothesis formulation put forward by the researcher in the previous section, it can be concluded that ho is accepted and h<sub>2</sub> is rejected.

# The Effect of Inflation Rate on Indonesian People's Consumption Level 1986-2022

The results of this research show that the inflation rate has a negative and significant effect on the consumption level of the Indonesian people in 1986-2022, with a regression coefficient value of -28,286.735, which means that if the inflation rate increases by one unit, the level of public consumption will decrease by 28,286.735. The results of this research support the results of several previous studies conducted by Hakim Muttaqim et al. (2019) and Daru Yudanto et al. (2020). Therefore, based on the hypothesis formulation put forward by the researcher in the previous section, it can be concluded that ho is rejected and h<sub>3</sub> is accepted.

#### **CONCLUSION**

The research conducted by researchers on the impact of per capita income, open poverty level, and inflation on the consumption level of Indonesian people from 1986 to 2022 leads to the following conclusions:

- 1. Per capita income, open poverty rate, and inflation rate simultaneously have a significant influence on the consumption level of Indonesian society in 1986-2022, where these three independent variables together contribute an influence of 98.6% to the dependent variable. Meanwhile, another influence of 1.4% on the dependent variable is influenced by other variables not examined in this research.
- 2. Per capita income has a positive and significant influence on the level of consumption of Indonesian people from 1986-2022. This means that the more Indonesia's per capita income increases, the higher the consumption level of Indonesian people will be in that year.
- 3. The open unemployment rate has a negative and insignificant influence on the consumption level of Indonesian people from 1986-2022. This means that the higher the level of poverty in Indonesia's open areas, the lower the level of consumption of Indonesian people during that year, with an insignificant decline.
- 4. The inflation rate has a negative and significant influence on the consumption level of Indonesian people in 1986-2022. This means that the higher the inflation rate in Indonesia, the lower the consumption level of the Indonesian people in that year.

#### **SUGGESTION**

Researchers suggest that further research activities can continue research on the influence of unemployment on people's consumption levels. The limitations of this research, especially in terms of the lack of research relevant to the relationship between these two variables, are the reason researchers recommend this. To obtain research results that are different from this research, the researcher provides suggestions for future researchers, so that research activities can be carried out using a different scope than this research. This was done to find out specifically the influence of unemployment on people's consumption levels, in each region in Indonesia. Apart from that, researchers hope that for further research activities, they can use independent variables that are different from the independent variables that have often been used in previous studies, but have an influence on people's consumption levels based on existing economic theories.



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