Edukasi Islami: Jurnal Pendidikan Islam, VOL: 09/NO: 02 Agustus 2020 **P-ISSN: 2614-4018**
DOI : 10.30868/ei.v9i02.4413 **E-ISSN: 2614-8846**

THE INFLUENCE OF SOCIAL CAPITAL, HUMAN CAPITAL, AND NATURAL CAPITAL ON ECONOMIC GROWTH AND COMMUNITY WELFARE

M Amin

Institut Pemerintahan Dalam Negeri
Korespondensi: *aminlombok77@gmail.com*

ABSTRACT

Research conducted in West Nusa Tenggara using the Solow Development Theory to link the variables of social capital, human capital, and natural capital to economic development and people's welfare found that social capital had a significant effect on economic development and people's welfare. Then the research results can provide an answer about the level of people's welfare in West Nusa Tenggara Province, which is still below the national average. Based on the research results, it can be denied that a social capital-based economic growth management policy is needed to improve the welfare of the people in West Nusa Tenggara. Then these actions must be taken because economic growth is a good intervention variable for social capital. Also, it is necessary to consider the regional government so that the management of the financial area is based on economic growth, which is necessary for the welfare of the people in West Nusa Tenggara.

Keywords: Social Capital, Human Capital, Natural Capital, And Economical

ABSTRAK

Penelitian yang dilakukan di Nusa Tenggara Barat dengan menggunakan Teori Pembangunan Solow, untuk menghubungkan variabel modal sosial, modal manusia, dan modal alam terhadap pembangunan ekonomi dan kesejahteraan masyarakat, ditemukan bahwa modal sosial berpengaruh signifikan terhadap pembangunan ekonomi dan kesejahteraan masyarakat. Maka hasil penelitian tersebut dapat memberikan jawaban tentang fenomena tingkat kesejahteraan masyarakat di Provinsi Nusa Tenggara Barat yang saat ini masih berada di bawah rata-rata nasional. Berdasarkan hasil penelitian dapat dipungkiri bahwa untuk meningkatkan kesejahteraan masyarakat di Nusa Tenggara Barat diperlukan kebijakan pengelolaan pertumbuhan ekonomi berbasis modal sosial. Maka tindakan tersebut harus dilakukan karena pertumbuhan ekonomi merupakan variabel intervensi yang baik bagi modal sosial. Juga perlu diperhatikan pemerintah daerah agar pengelolaan keuangan daerah didasarkan pada pertumbuhan ekonomi yang diperlukan untuk kesejahteraan masyarakat di Nusa Tenggara Barat.

Kata kunci: Modal Sosial, Modal Manusia, Modal Alam, Dan Ekonomi

A. INTRODUCTION

Introduction Human capital is one of the development potentials that comes from the human element. The level of health, level of education completed, skills possessed, number, and gender are human capital. The use of human resources in its implementation and role must be viewed from both economic and non-economic aspects because humans are the main actors in the development process (Soetomo, 2009: 193-194). Based on this description, it can be said that human capital in development has a very important meaning because, in addition to having the potential to be mobilized to accelerate development, high human capital will be easier to empower in its relevance as actors and drivers of development.

Furthermore, in addition to social capital, human capital, and financial capital, other capital is no less important in improving people's welfare, namely natural capital. Natural capital is one of the development resources that can be used to meet needs and improve people's lives. Favorable geographical location, fertile agricultural land, wide area, marine resources, sunshine, mining, not prone to flooding, not prone to earthquakes, flora and fauna are natural assets (Suparmoko, 2018: 3)

Based on the description above, it can be said that, in an area that has abundant natural capital and is well managed, its development will be carried out more quickly. Apart from that, in regions that have abundant natural resources, the people will also have sources of income from their natural wealth so that they can increase regional economic growth as a process towards improving people's welfare. Regions with low natural capital will tend to depend on central government assistance and even foreign assistance. Meanwhile, the condition of West Nusa Tenggara's natural capital can be seen in Table 1.

Table 1West Nusa Tenggara Province Natural Resources Potential in 2020

No.			
1.	Rice harvested area	359.714 Ha	1.750.675 Ton
2.	Palawija harvest area	200.790 Ha	363.453 Ton
3.	Harvest area of coconut plantations	67.716,43 Ha	51.048,85 Ton
4.	Cow population	546.114 Ekor	10.820 Ekor
5.	The sustainable potential of marine fish resources	98.979,8 Ton	98.979,8 Ton
6.	Forestry potential	1.068.098,78 Ha	24.027,66 m^3
7.	Gold (Au)	*427.039 Ton	-
8.	Silver (Ag)	*452.935 Ton	-
9.	Copper	*5.377.730 Ton	-

Source: BPS West Nusa Tenggara (2020)

Table 1 shows some of the potential natural resources owned by the province of West Nusa Tenggara. These natural resources have export value in their productivity. Based on these data, it can be said that, from the aspect of natural resources, West Nusa Tenggara has a high enough potential and if it is managed optimally, it will be able to spur economic development which is part of the process of improving people's welfare.

Taking into account the empirical data of West Nusa Tenggara, especially those related to social capital, it is in a balanced condition between its availability and affordability when compared to the population and area of the area. Meanwhile, human capital shows a high rate of labor force absorption, reaching 93.52% with a ratio of productive age reaching 64.57%. Furthermore, when viewed from financial capital, in addition to the cumulative balancing fund for the district amounting to Rp. 4,248,165,946,254, it also has cumulative

PAD funds to the district of Rp.221,898,886,271 and other legal income funds of Rp. 275,717. 127,138.

Meanwhile, West Nusa Tenggara's natural capital is a fertile land with a rice harvest area of 359,714 hectares with a production of 1,750,675 tons per year. Furthermore, from the livestock aspect, West Nusa Tenggara, which consists of two islands, namely the islands of Lombok and Sumbawa, is also a suitable area for livestock, especially cattle and goats. West Nusa Tenggara mineral resources are potential resources for exploitation because they consist of gold, silver, and copper which have export value.

Based on the condition of social capital, natural capital, financial capital, and natural capital of West Nusa Tenggara, West Nusa Tenggara should have high economic growth and social welfare. Meanwhile, the rate of economic growth and the level of welfare of the people of West Nusa Tenggara is below the national average, even the human development index is in the 32nd rank out of 33 provinces in Indonesia. This phenomenon provides information on the importance of conducting studies on the effects of social capital, human capital, financial capital, and natural capital on economic growth and community welfare in West Nusa Tenggara Province.

B. LITERATURE REVIEW

The emergence of new economic theories above is inseparable from the development of science and facts that occur in the economic process, this is following what is stated by Chalmers (1983: 1) that scientific theories are drawn in a strict way from facts experience facts obtained through observation and experiment. Furthermore, Genie (1999: 145) states that theory is a set of propositions that are logically interrelated to provide a logical explanation. In line with the understanding of this theory, Tafsir (2004: 25) also argues that theory is explaining causal relationships.

Herrick and Kindleberger (in Sanusi 2004: 4) state that economic development studies the causes and ways of overcoming mass poverty. Furthermore, Jhingan (in Sanusi 2004: 4) states that development economics refers to various economic development problems in underdeveloped countries. Meanwhile, Sanusi (2004: 4) states that development economics uses the principles of other economics, both in their original form and after being modified, but not in large part. Development economics is a field of study that is developing its theoretical structure and methodology so fast.

C. METHOD

Research in the field of economics generally has many influencing variables, so it requires a good and precise research design. Malhotra (2004: 77) states that in preparing a research design, the things needed are: (a) research information; (b) the type of research used; (c) measurement procedures; (d) the number of respondents in the study; (e) data collection tools; (f) the data analysis plan used.

Based on the theoretical framework and review of previous research and research hypotheses, the path diagram for the research construct can be described as follows:

D. RESULTS AND DISCUSSIONS

Results Evaluate the inner model through the algorithm setting procedure and blindfolding setting. The algorithm setting procedure is a step in PLS to obtain the excluded and included R-square values, while through the blindfolding setting the values obtained from Q-square excluded and Q-square included can be obtained. Furthermore, the results of data processing through the algorithm setting process and blindfolding setting can be seen in Table 2 below.

Table 2 The values of R-square were excluded, R-square included, Q-square excluded and Q-square included.

Konstruk	R-*Square excluded*	R -*Square included*	1-SSE/SSO *excluded* (Q^2)	1-SSE/SSO *included* (Q^2)
X1			0,067927	0,312452
X2			0,412443	0,741084
X3			-0,164075	0,005402
Y1	0,492967	0,380202	0,104673	0,170472
Y2	0,607677	0,620805	0,136384	0,239084

Source: Results of data processing

Evaluation of the structural model using the PLS method was carried out for the R2 value of endogenous latent variables provided that the R2 value was 0.67, 0.33, and 0.19 which indicated that the model was "good", "moderate", and "weak". Furthermore, Ghozali also explained that the value of f2 (effect size) provided that the f2 value is 0.02, 0.15, and 0.35, indicating that the latent variable has a weak, medium, or large influence. Meanwhile, the value of q2, provided that the value of q2 is 0.02, 0.15, and 0.35, it can indicate that the model has "weak", "medium" or "large" predictive relevance. Furthermore, this relationship can be seen in Table 3.

Table 3 Evaluate the model by entering the values R2, f2, Q2, and q2.

No	Results	Criteria *)	Critical values **)	Evaluation results of the model
1.	R^2	0,62081	0,19	Good
2.	f^2	0,03462	0,02	Low
3.	Q^2	0,23909	< 0	Has predictive relevance
4.	q^2	0,13500	0,02	*Predictive medium relevance*

Source: Data processing results

The relationship between constructs can be determined through the bootstrapping setting process. Furthermore, the bootstrapping setting process presents the value of the path coefficient between constructs and the correlation coefficient between the constructs and the indicator Ghozali (2008: 22). The bootstrapping setting presents the results of data processing in the form of a path coefficient table and a path diagram equipped with the value of t-count between constructs as shown in Figure 2.

E. DISCUSSION

A detailed discussion of each relationship between variables based on the proposed hypothesis will be constructed so that this discussion will lead to strengthening the existing theoretical building structure or constructing a new theory based on the effect that occurs between the detected research variables.

The influence of social capital on community welfare in West Nusa Tenggara province is significant. Social capital influences indicators consisting of public shopping facilities (X1.4) and financial institutions (X1.5). Meanwhile, the public welfare variable affects the indicators consisting of the net participation rate (NER) of basic education (Y2.1); the ratio of deliveries assisted by medical personnel (Y2.4); PDRB per capita based on current prices (Y2.6) Meanwhile, previous research conducted by Sutopo (2005) on "The Relationship between Micro Financial Institutions and Small Business Contribution in Poverty Alleviation" found that microcredit service institutions had a positive effect on poverty alleviation. in Indonesia. Also, Sutopo concluded that microcredit institutions must carry out their function as a bank for the poor where the source of financial support does not come from the poor. Firdaus' (2005) research entitled "Developing Gender-Sensitive Micro Credit Institutions" concludes that microcredit institutions can help meet women's needs, such as education, health costs, and moneylenders.

Furthermore, the results of this study are also following the opinion of Chotim and Handayani (in Sutopo, 2005: 3) which states that microfinance institutions grow and develop and take root with the community. Meanwhile, Sumodiningrat (in Sutopo, 2005: 4) states that empowerment of microfinance institutions is one of the absolute requirements that must be met in the context of developing micro-businesses that lead to poverty reduction. Also, Robinson (in Arafat, 2005: 9) states that poverty alleviation in Indonesia is mostly implemented through programs such as micro-credit programs at microfinance institutions and family planning programs.

The influence of social capital on social welfare through economic growth is significant. This relationship will be explained based on the research conceptual framework adapted from Thomas's conceptual framework and Solow's growth theory with the aggregate function Y = F (K, L). Furthermore, the explanation will also use the Solow growth function curve and the Solow-Abramovic growth formula.

Social capital (X1) has an influence of 38.9% on economic growth (Y1) Table 5.28. Also, social capital correlates with the human capital of 0.26311, based on this correlation, the increase in population will affect the number of public shopping facilities and financial institutions so that the correlation becomes X1 = 0.26311X2. Furthermore, the correlation between social capital and human capital can be used to explain the effect of social capital on economic growth, as in Figure 2.

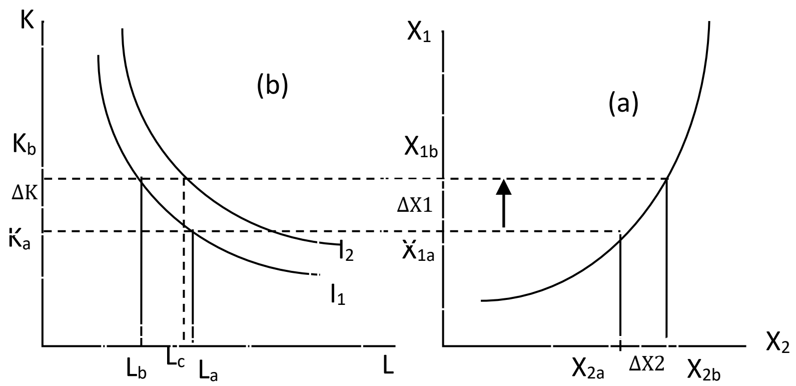

Figure 2.The correlation between social capital and human capital is based on research data

Figure 2 is a correlation curve between social capital and human capital as a result of the study, Figure 6.1 (b) is a curve of capital and labor relations based on the Solow growth theory. Based on the correlation in Figures 6.1a and 6.1b, it can be explained that an increase in the social capital of ΔX1 = X1b-X1a is correlated with an increase in the human capital of ΔX2 = X2b-X2a and affects an increase in capital by ΔK = Kb-Ka and reduced labor demand by ΔL = Lb-La based on curve I1. Based on the Solow growth theory, under these conditions, the production function will switch to a capital-intensive production function to become labor-intensive, because population growth will lead to labor growth resulting in a reduction in the relative wages of labor (Arief, 1998: 40).

Furthermore, this correlation shows that the values of ΔK> 0 and ΔL <0. Based on the correlation between changes in capital accumulation and labor demand, it can be seen that the growth direction coefficient shifts from the bottom right to the top left and gives a value of ΔK. / ΔL <0 or dF/dx <0 and the value of (d ^ 2 F) / (dX ^ 2)> 0 (positive growth). Also, based on this relationship, it can be seen that if the accumulation of social capital is constant at X1b which results in constant capital accumulation in Kb, the production function will use the input combination F (Kb, Lc), namely curve I2 because the labor supply increases and results in the relative wage of labor. decreased. Based on the Cobb-Douglass exponential formula, namely Yt = 〖AK〗 _t ^ ∝ L_t ^ β which is the basis for the Solow growth theory, it explains that if capital accumulation is constant, the production function will only offset the amount of labor through the combination of the use of inputs to provide additional output is constant, this process is called constant returns to scale by Solow.

Furthermore, through this relationship, it can logically be seen that social capital affects economic growth. Meanwhile, Arief (1998: 39) states that the marginal productivity of each production factor decreases when there is a situation of constant returns to scale which is expressed mathematically if dF/dx> 0 and (d ^ 2 F) / (dX ^ 2) <0. Besides, Arsyad (2004: 62) states that in Solow's growth theory, output growth is highly dependent on production factors consisting of population, labor, and capital accumulation.

Based on this description, it is known that social capital affects economic growth. Meanwhile, economic growth has a significant effect on people's welfare, thus based on this relationship, social capital affects the welfare of the people of West Nusa Tenggara province through economic growth.

Human capital (X2) has an effect of 19.7% on economic growth (Y1) and is not significant. Also, human capital correlates with the financial capital of 0.551883, human capital has a correlation of 0.424282 with economic growth and economic growth has a correlation of 0.507538 with people's welfare.

Based on the correlation between human capital and financial capital of 0.551883 and according to the source of financial capital revenue, namely PAD, DAU, DAK, and other legal income, the increase in population will affect the receipt of financial capital, so the correlation equation is X3 = 0.551883X2. Figure 6.2 can be used to explain that an increase in the human capital of ΔX2 = X2b-X2a is correlated with an increase in the financial capital of ΔX3 = X3b-X3a and has an effect on an increase in capital by ΔK = Kb-Ka and a reduction in the need for labor by Δ L = Lb-La on curve I1. Also, this correlation shows that the values of ΔK> 0 and ΔL <0. Based on the correlation between changes in capital accumulation and labor demand, it can be seen that the growth direction coefficient shifts from the bottom right to the upper left and gives a value of Δ K / ΔL <0 or dF/dx <0, and the value of (d ^ 2 F) / (dX ^ 2)> 0 (positive growth).

Based on the Solow growth theory, if population growth is greater than capital growth on curve I1, and if, for example, capital accumulation decreases to KC, then growth can still be maintained by using a combination of the production function to become F (KC, Ld). Furthermore, according to Solow's theory, in such a situation there will be a combination of the use of the production function input from the capital to labor-intensive because the relative wages of labor will decrease. In addition, according to this combination, the value of ΔK / ΔL <0 or dF / dx <0 and (d ^ 2 F) / (dX ^ 2)> 0 (positive growth) in other words, the increase in population does not affect the rate of economic growth.

Taking into account the results of research data processing and the Solow growth theory isoquant curve on the correlation of capital and labor, an increase in human capital does not affect economic growth, meanwhile, the population growth rate of West Nusa Tenggara based on BPS Nusa Tenggara Barat (2009: 19-65) is 1, 66% and the GRDP growth rate was 2.63%. Based on this description, it can be seen that human capital does not affect economic growth, thus human capital has no significant effect on people's welfare through economic growth. Furthermore, BPS West Nusa Tenggara (2017: 1-7) regarding the Analysis of the Workforce Profile of West Nusa Tenggara, concludes that: (a) 4 out of 100 workforces in West Nusa Tenggara are classified as job seekers; (b) 61.24% of the workforce is absorbed by the agricultural sector; (c) 71.15% of workers in West Nusa Tenggara province are elementary school-educated or below; (d) 42.37% of the population of West Nusa Tenggara are classified as underemployed; (e) the average wage of workers in West Nusa Tenggara is Rp. 637,890 for male workers and Rp. 331,220 and women.

Furthermore, the results of this study are by the results of research conducted by Thomas (2000) who found that an increase in literacy rates is positively correlated (0.03) with GDP growth, and a decrease in income inequality is positively correlated (0.34) with an increase in GDP. Also, BPS West Nusa Tenggara (2017: 5) regarding Population Analysis in West Nusa Tenggara, concludes that: (a) the dependency ratio for the population of West Nusa Tenggara is 56.87%, in other words in every 100 56 people are not productive; (b) the number of dependents that are financed by productive age, which is smaller in number and will reduce the fulfillment of economic needs; (c) education requires a large amount of money so that it requires the high economic capacity of parents; (c) the composition of the population according to marital status is between the ages of 18-21 years.

Human capital has a positive correlation (0.399454) with the variable of social welfare Table (5.17). Furthermore, the results of this study are also consistent with the results of a study conducted by Thomas (2000) who found that an increase in literacy was positively correlated (0.15) with a decrease in infant mortality. Siregar (2008) concluded that the level of basic education is a variable that has a relatively large influence on poverty reduction. Meanwhile, research conducted by Sitepu and Sinaga (2018) concluded that: (a) an increase in investment in human resources directly impacts an increase in Real Gross Production, as indicated by an increase in capital stock, trade balance, and household consumption; (b) investment in human resources for education can reduce poverty incidence, poverty gap, and poverty severity except for upper-class non-agricultural households in the village, not the urban labor force and not upper-class agriculture in cities.

Besides, Schultz and Becker (in Danim, 2003: 36) develop and analyze the concept of human welfare, making education and training a form of investment that brings benefits in the future. Educated humans generally get a higher income and it can boost the income of the society as a whole. Furthermore, Soetomo (2009: 22) states that the utilization of human resources in the community development process involves two things, namely: (a) quality improvement and development; (b) exploitation through various opportunities, activities, and businesses to meet the needs and increase the standard of living of the community.

Based on the analysis of the NTB farming profile, West Nusa Tenggara BPS (2009: 11) states that, of 212,607 farming households in West Nusa Tenggara, 113,681 households are rice farming households with an average control of less than 0 agricultural lands. 5

hectares. Meanwhile, the results of the national livestock survey of West Nusa Tenggara province, West Nusa Tenggara BPS (2017: 21) explained that the total population of cattle in West Nusa Tenggara reached 566,985 with a total of 123,343 cattle households, with average ownership of 4.6 heads, with agricultural and livestock systems that are still traditional.

In line with this description, BPS West Nusa Tenggara (2017: 2-4) explained that the agricultural sector in West Nusa Tenggara is the sector that absorbs the most labor and reaches 61.24%. Furthermore, the basic labor problem in West Nusa Tenggara is the relatively low level of education of workers, namely 71.15% of elementary school education and below. Based on these conditions, it can be said that the management of the agricultural sector in West Nusa Tenggara is still traditional and labor-intensive. Based on this relationship, it can be said that the management of farms and livestock in West Nusa Tenggara has not been effective so that this condition causes natural capital to harm people's welfare, because increasing natural capital production will reduce labor productivity.

In line with these conditions, Yudhoyono (in Susanto, 2005: 12) argues that the agricultural sector currently absorbs a lot of labor and exceeds the capacity (reaching 46%) of the total workforce, so that a net increase in labor in the agricultural sector will further reduce labor productivity in the agricultural sector. Based on the results of data processing, natural capital has a negative correlation (-0.23578) with the variable of community welfare. Furthermore, the results of this study are also consistent with the results of research conducted by Thomas (2000) who found that an increase in forest area is negatively correlated (-0.20) with a decrease in income inequality.

Siregar (2008) found that output growth of only 2.5% in the agricultural sector became the basis of livelihood for 44% of Indonesia's workforce, resulting in slower improvement in farmer welfare compared to the welfare of workers outside the agricultural sector. Furthermore, research conducted by Setiawan (2009) suggests that when compared to the intraregional impacts of the two leading sectors in West Nusa Tenggara province, namely, the food, beverage, and tobacco industry sector has a bigger and stronger impact both on output growth, growth in gross value added, and job creation in the province of West Nusa Tenggara.

Natural capital has a negative correlation (-0.01105) with economic growth and economic growth has a positive correlation (0.507538) with the social welfare variable. Furthermore, these results are consistent with the results of research conducted by Thomas (2000) who found that an increase in forest area has a negative correlation (-0.06) with GDP growth, and a decrease in income inequality is positively correlated (0.34) with an increase in GDP. . Furthermore, Suparmoko (2018: 8) states that the faster the economic growth will be the more resource goods needed in the production process which in turn will reduce the availability of natural resources in the earth because these resource goods must be taken from reserves (stock).) natural resources. Furthermore, about the utilization of these natural resources, Reksohadiprodjo (1998: 3) states that natural resources together with other inputs are the driving force for economic growth. Simply put, if the use of natural resources is multiplied, then growth or output can be increased. Natural resources referred to here are all kinds of natural resources that are heterogeneous, complex, and of course, have the form of ready-to-use resources.

Furthermore, Yakin (2004: 6) states that increasing population growth and industrial activity cannot survive without depleting natural resources and placing more burdens on nature in overcoming pollution problems. Dasman (1977: 19) states that the inclusion of environmental conservation elements in planning is intended to improve the quality of development achievements and to be able to consider in advance the influence of development activities on the broader natural resources and processes of the environment. Soetomo (2009: 190)) states that in the development strategy, environmental conservation elements have been included in calculating the feasibility of a development program and in development planning.

The relationship between economic growth and community welfare in West Nusa Tenggara province is significant and positive. Furthermore, the results of research by Thomas (2000) in his research entitled "Human Capital, Physical Capital, Natural Capital and Government Performance on Economic Growth and Welfare" concluded that: (a) GDP growth has a positive correlation (0.52) to a reduction in poverty; (b) GDP growth has a positive correlation (0.20) to; (c) a decrease in the prevalence of infants; (d) GDP growth has a positive correlation (0.17) of an increase in life expectancy; (e) GDP growth has a positive correlation (0.34) to a decrease in income inequality.

Meanwhile, the results of research conducted by Easterly (1999) entitled "GDP Growth and Changes in Quality of Life" in the World Bank report "The Quality of Growth (2000: 5) found that countries with high growth experienced :(a) decrease in the poverty rate; (b) increase in calorie and protein intake; (c) increased participation in secondary schools; (d) Decrease in income inequality.

Also, the results of previous research conducted by Islam and Stiglitz (1999) in the World Bank report "The Quality of Growth" (2000: 15) with their research entitled "The Influence of Growth Classes on Welfare" concluded that countries with economic growth low, tend to experience: (a) an increase in the poverty rate; (b) increase in infant mortality; (c) increase in illiteracy rate; (d) decrease in the number of life expectancy.

Todaro (in Arsyad, 2005: 5) states that the success of economic development is shown by three main values, namely: (a) the development of the community's ability to meet basic needs; (b) increased self-esteem as financial; (c) increasing people's ability to choose (freedom from servitude), which is one of the financial rights. Arsyad (2005: 6) states that economic development is: (a) a process which means changes that occur continuously; (b) efforts to increase income per capita; (c) the increase in per capita income must continue; (d) improving the institutional system, both institutional and regulatory.

F. CONCLUSIONS

Specific conclusions are formulated based on the results of hypothesis testing and are intended to answer the problem and research objectives. Referring to the results of testing the hypothesis, specific conclusions are formulated as follows.

This relationship shows that the function of social capital can open up business fields and absorb labor. The increase in the amount of social capital will increase the number of business fields followed by an increase in job opportunities so that it can improve the welfare of the community. This relationship is in line with what Grootaert (in Mudiarta, 2009: 3) states that social capital is one of the alternatives to overcome poverty.

An increase in social capital also means an increase in economic growth, thus an increase in social capital can increase production sources for the community which ultimately stimulates economic growth and increases GDP growth at constant prices. Furthermore, the increase in GDP growth based on constant prices will absorb labor and increase the welfare of the community. The effect of economic growth on the welfare of society is following the Solow growth theory which states that high capital accumulation can absorb a lot of labor if the relative wage of labor decreases, this kind of production function is called the labor-intensive production function.

The higher the quality of human resources, the higher the level of community welfare. This relationship is in line with that stated by Tjiptoherijanto (1989: 5) which states that the results of the analysis using empirical data show that the level of worker income increases, in line with the increase in the level of education.

Economic growth cannot function as an intervening variable for human capital. Based on data processing from the results of this study, it can be seen that the increase or decrease in human capital as labor does not affect output in the production function, therefore human capital is said to not affect economic growth. This relationship also resulted in human capital not affect the welfare of the people of West Nusa Tenggara province through economic growth.

The higher the natural capital, the lower the level of welfare of the people in the province of West Nusa Tenggara. This relationship is because the agricultural and livestock management systems in West Nusa Tenggara are still running traditionally. Furthermore, BPS West Nusa Tenggara (2007: 8) states that out of 212,607 farming households in West Nusa Tenggara 113,681 are rice farming households and 50.29% are smallholders who control agricultural land less than 0.5 hectares. Meanwhile, the livestock sector is still managed traditionally and is a side business. Based on these conditions, an increase in the new workforce in the agricultural and livestock business sectors in West Nusa Tenggara will be able to reduce labor productivity in the agricultural and livestock sector.

This relationship explains that the economic growth variable cannot function as an intervening variable for natural capital. An increase or decrease in natural capital does not affect economic growth. Furthermore, based on the theory of economic growth, natural capital is also known as capital. Meanwhile, the increase in natural capital was due to the increase in human capital, thus increasing natural capital as a source of capital was accompanied by an increase in the supply of labor. Based on this relationship, an increase in natural capital as a source of capital will cause the production function to offset the amount of labor, so that an increase or decrease in natural capital will not affect output.

The higher the economic growth, the higher the production of goods and services. Furthermore, an increase in the production of goods and services will absorb a lot of labor. Furthermore, the more labor is absorbed, the higher the level of community welfare. This relationship is in line with what Suparmoko (2002: 434) states that economic growth as measured by the development of production of goods and services or national income is indispensable because there are two very determining factors, namely an increase in population from year to year and an increase in the level of welfare. society as a result of development itself.

REFERENCES

Adi, Isbandi Rukminto. 2018. Intervensi Komunitas: Pengembangan Masyarakat sebagai Upaya Pemberdayaan Masyarakat. PT. Rajagrafindo Persada. Jakarta.

Anwar.2017. Manajemen Pemberdayaan Perempuan: Perubahan Sosial Melalui Pembelajaran Vocational Skill Pada Keluarga Nelayan. Alfabeta. Bandung.

Bakar, AA dan Ali, Am. 2004.Kepentingan Modal sosial dalam Pertumbuhan Ekonomi.Universitas Malaysia.IJMS 11 (Special Issue), 197-212 (2004).

Bank Indonesia.2018. Survey Produk Domestik Regional Bruto (PDRB) Nusa Tenggara Barat Triwulan I 2018. Mataram.

Barthos, Basir. 1990. Manajemen Sumber daya Manusia: Suatu Pendekatan Makro. Bumi Aksara. Jakarta.

Buch dan Hansen, Ellen. 1991. Community Participation: A Precondition for Sustainable Water Development. African Water Network. Nairobi.

Bungin, M. Burhan. 2005. Metodologi Penelitian Kuantitatif: Komunikasi, Ekonomi, dan Kebijakan Publik Serta Ilmu-ilmu Sosial Lainnya. Kencana Prenada Media Group. Jakarta.

Dasmann, Raymoind F . 1977. Prinsip Ekologi Untuk Pembangunan Ekonomi. Gramedia. Jakarta.

Dua, Mikhael. 2018. Filsafat Ekonomi: Upaya Mencari Kesejahteraan Bersama. Kanisius. Jakarta.

Chalmers.A.F.1983. Apa itu yang dinamakan ilmu. Hasta Mitra. Jakarta.

Fauzi, Akhmad. 2006. Ekonomi Sumber Daya Alam dan Lingkungan: Teori dan Aplikasi. PT. Garamedia Utama Utama. Jakarta.

Fukuyama, Francis. 2002. Trust, Kebijakan Sosial dan Penipta Kemakmuran. Qalam.Yogyakarta.

George, Vic dan Paul Wilding. 1992. Ideologi dan Kesejahteraan Rakyat. Grafiti. Jakarta.

Ghozali, Imam. 2006. Structural Equation Modeling: Metode Alternatif Dengan Partial Least Square. Badan Penerbit Undip. Semarang.

Harianto, D dan Adi, PH. 2018. Hubungan Antara Dana Alokasi Uumum, Belanja Modal, Pendapatan Asli Daerah dan Pendapatan Per Kapita. Fakultas Ekonomi Universitas Kristen Satya Wacana Salatiga. Salatiga.

Inggrid. 2006. Sektor Keuangan dan Pertumbuhan Ekonomi di Indonesia: Pendekatan Kausalitas dalam Multivariate Vector Error Correction Model (VECM). Jurnal Manajemen Dan Kewirausahaan, Vol.8, No. 1, Maret 2006: 40-50.

Irawan dan Suparmoko. 2002. Ekonomi Pembangunan. BPFE-yogyakarta.Yogyakarta.

Istijanto. 2005. Riset Sumber Daya Manusia: Cara Praktis Mendeteksi Dimensi-dimensi Kerja Karyawan. Gramedia Pustaka Utama. Jakarta.

Kadiman, Irawan. 2005. Teori dan Indikator Pembangunan. Lembaga Administrasi Negara. Jakarta.

Kuncoro, Mudrajad. 2006. Ekonomika Pembangunan . STIM YPKN. Yogyakarta.

Kustituanto, Bambang. 1984. Statistik Analisis Runtut Waktu dan Regresi Korelasi.BPFE.Yogyakarta.

Lachman, S, J. 1969. The Foundation of Science, rec, ed, 4th printing, p.46.

Lewis, W. Arthur. 1994. Perencanaan Pembangunan: Dasar-Dasar Kebijakan Ekonomi. Rineka Cipta. Jakarta.

Mahfudz,Masyhuri. 2017. Dasar-Dasar Ekonomi Mikro. Prestasi Pustaka. Publisher. Jakarta.

Mahyudi.2004. Ekonomi Pembangunan dan Analisis Data Empirik.Ghalia Indonesia. Bogor.

Malhotra, Naresh K. 2004. Marketing Research: An Applied Orientation. Pearson Education, Inc, Upper Saddle River, New Jersey, 07458.

Mudiarta, KG. 2009. Jaringan Sosial (Network) dalam Pengembangan Sistem dan Usaha Agribisnis: Perspektif Teori dan Dinamika Studi Kapital Sosial. Forum Penelitian Agro Ekonomi, Volume 27 No. 1, Juli 2009. Jakarta.

Mulyadi, S., 2003. Ekonomi Sumber Daya Manusia. PT. Raja Grafindo Persada. Jakarta.

Midgley, James. 1995. Social Development: The Developmental Perspective in Social Welfare. London, Sage Publications. Ltd.

Nasikun, 2017.Sistem Sosial Indonesia. Rajagrafindo Persada. Jakarta.

Nazir, M. 2003. Metode Penelitian. Ghalia Indonesia. Jakarta.

Ndraha, Taliziduhu. 1999. Pengantar Teori Pengembangan Sumber daya Manusia. Rineka Cipta. Jakarta.

Notoamodjo, Soekidjo. 1992. Pengembangan Sumber Daya Manusia. Rineka Cipta. Jakarta.

Pemda NTB. 2004. Identifikasi Potensi wilayah Nusa Tenggara Barat: Informasi dan Peluang Investasi. Sahabat.Matara.

Pranadji, T. 2006. Penguatan Modal Sosial Untuk Pemberdayaan Masyarakat Pedesaan dalam pengelolaan Agroekosistem Lahan Kering.studi Kasusu di Desa-desa (Hulu DAS) Ex Proyek Bangunan desa, Kabupaten Gunungkidul dan Ex Proyek Pertanian Lahan Kering, Kabupaten Boyolali. Jurnal Agro Ekonomi, Volume 24 No.2, Oktober 2006. Bogor.

Purbadharmaja, IBP. 2006. Implikasi Variabel Pengeluaran dan Investasi Terhadap Pertumbuhan Ekonomi Provinsi Bali. Fakultas Ekonomi Universitas Udayana Denpasar. Buletin Studi Ekonomi Volume 11 Nomor 1 Tahun 2006.

Raho, Bernard. 2017. Teori Sosiologi Modern. Prestasi Pustakarya. Jakarta.

Reksohadiprodjo, Sukanto. 1998. Ekonomi Sumber Daya Alam dan Energi.BPFE-Yogyakarta.Yogyakarta.

Reksohadiprodjo, Sukanto. 2001. Ekonomika Publik. BPFE-UGM.Yogyakarta.

Remi, Hj. Sutyastie dan Tjiptoherijanto, Prijono. 2002. Kemiskinan dan Ketidakmerataan di Indonesia. PT. Rineka Cipta. Jakarta.

Rianse, Usman. 2018. Metodologi Penelitian Sosial Ekonomi: Teori dan Aplikasi. Alfabeta. Bandung.

Salvatore, D. 1992. Theory and Problems of Microeconomic Theory, 3rd edition (Schaum Series), McGraw-Hill, Inc. Terjemahan Rudy Sitompul Cetakan Pertama Tahun 1994. Erlangga. Jakarta.

Sarwono, Jonathan. 2017. Analisis Jalur Untuk Riset Bisnis dengan Analisis SPSS. Andi Offset. Jakarta.

Sanusi, Bachrawi. 2004. Pengantar Ekonomi Pembangunan. Rineka Cipta. Jakarta.

Sembiring dan Berutu. 2004. Modal Sosial dalam Komunitas Kute Etnis Karo dan Relevansinya dengan Otonomi Daerah. Fakultas Ilmu Sosial dan Politik Sumatera Utara, USU digital library.

Setiawan, S dan Handoko, R. 2005. Pertumbuhan Ekonomi 2006: Suatu Estimasi dan Arah Pencapaian Pertumbuhan yang Merata dan Berkualitas. Kajian Ekonomi dan Keuangan, Volume 9, Nomor 4 Tahun 2005. Pusat Pengkajian Ekonomi dan Keuangan , BAPPEKI, Departemen Keuangan. Jakarta.

Setiawan, IMD. 2009. Peranan Sektor Unggulan Terhadap Pertumbuhan Ekonomi Daerah jawa Timur, Bali dan Nusa Tenggara Barat: Pendekatan Input-Output Multiregional. Ejurnal Universitas Udayana 2009. Denpasar.

Sherraden, Michael. 2006. Aset Untuk Orang Miskin: Perspektif Baru Usaha Pengentasan Kemiskinan. PT. Rajagrafindo Persada. Jakarta.

Simanjuntak, Payaman J. 1982. Perkembangan Teori di Bidang Sumber daya Manusia.Lembaga Penerbit Universitas Indonesia. Jakarta.

Siregar, H. 2018. Dampak Pertumbuhan Ekonomi Terhadap Penurunan Jumlah Penduduk Miskin. Litbang Departemen Pertanian. Jakarta.

Siregar, Doli.D., 2004. Majemen Aset: Strategi Penataan Konsep Pembangunan Berkelanjutan Secara Nasional dalam Konteks Kepala Daerah sebagai CEO’s pada Era Globalisasi dan Otonomi Daerah. PT. Gramedia Pustaka Utama. Jakarta.

Sitepu, RK dan Sinaga, BM. 2018. Dampak Investasi Sumber Daya Manusia Terhadap Pertumbuhan Ekonomi dan Kemiskinan di Indonesia: Pendekatan Model Computable General Equilibrium. Fakultas Ekonomi dan Manajemen, Istitut Pertanian Bogor. Bogor.

Soeroto.1983. Strategi Pembangunan dan Perencanaan Tenaga Kerja.Gajah Mada University Press.Yogyakarta.

Soetomo.2018. Strategi-Strategi Pembangunan Masyarakat. Pustaka Pelajar. Yogyakarta.

Soetomo. 2009. Pembangunan Masyarakat: Merangkai Sebuah Kerangka. Pustaka Pelajar. Yogyakarta.

Spicker, Paul. 1995. Social Policy. Themes and Approaches.Prentice-Hill. London.

Suharto, Edi. 2006. Membangun Msyarakat Memberdayakan Rakyat. Refika Aditama. Bandung.

Suharto, Edi .2018. Kebijakan Sosial Sebagai Kebijakan Publik: Peran Pembangunan Kesejahteraan Sosial dan Pekerja Sosial dalam Mewujudkan Negara Kesejahteraan (Wefare State) di Indonesia.CV. Alfabeta. Bandung.

Suharto, Edi . 2009.Pekerjaan Sosial di Dunia Industri: Memperkuat Corporate Social Responsibility. CV. Alfabeta. Bandung.

Suhendra,K. 2006. Peranan Birokrasi Dalam pemberdayaan Masyarakat.Alfabeta. Bandung.

Sumaryadi, I Nyoman.2005. Perencanaan Pembangunan Daerah Otonomi dan Pemberdayaan Masyarakat. Citra Utama. Jakarta.

Suparmoko, M. 2018. Ekonomi Sumber Daya Alam dan Lingkungan: Suatu Pendekatan Teoritis. BPPE-Yogyakarta.Yoyakarta.

Supriyanto, S. 2000. Modul Kuliah Filsafat Ilmu dan Logika Sains, tanggal 7 Nopember 2000. Program Pascasarjana UNTAG. Surabaya.

Sutopo, W. Hubungan Antara Keuangan Mikro dan Kontribusi Usaha Kecil dalam Pengentasan Kemiskinan. Usahawan No. 01 Tahun XXXIV Januari 2005. Jakarta.

Stockwell, Edward. G and Karen Laidlaw. 1981. Third Word Development: Problems and Prospect. Nelson Hall. Chicago.

Susanto, Roni Dwi. Pembangunan Pertanian Sebagai Basisi Pertumbuhan Ekonomi. IPB Bogor. 2005.

Suyanto, Bagong dan Karnaji, 2005.Kemiskinan dan Kesenjangan Sosial.Airlangga University Press. Surabaya.

Syahdeini, SR. 1993. Kebebasan Berkontarak dan Perlindungan yang Seimbang Bagi Para Pihak dalam Perjalanan Kredit Bank di Indonesia. Institut Bankir Indonesia. Jakarta.