THE INFLUENCE OF SOCIO-ECONOMIC FACTORS ON POVERTY IN BALI PROVINCE

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ABSTRAK


Berdasarkan hasil analisis diketahui bahwa dengan tingkat kepercayaan 79.4 persen, seluruh variabelindependen berpengaruh baik secara simultan maupun parsial terhadap variabel dependen. Artinya faktor sosialekonomi yang terdiri dari pengangguran dan upah minimum mempengaruhi tingkat kemiskinan di Provinsi Bali baiksecara simultan maupun parsial. Jika dilihat dari koefisien determinasi, hanya 79.4 persen variasi pengangguran,upah minimum yang dapat menjelaskan variasi tingkat kemiskinan di Provinsi Bali. Hal ini dikarenakan masihbanyak faktor lain yang mempengaruhi tingkat kemiskinan di Provinsi Bali di faktor sosial ekonomi lain yang tidakdibahas dalam penelitian ini.

Kata kunci: kemiskinan, pengangguran, upah minimum, pertumbuhan inklusif, sosial ekonomi.

ABSTRACT

The aim of this research is to find out 1) To find out whether unemployment has a partial effect on the level ofpoverty in Bali Province; 2) To find out whether the minimum wage has a partial effect on the poverty level in BaliProvince; 3) To find out whether unemployment and the minimum wage have a simultaneous effect on the povertylevel in Bali Province. The socio-economic factors that will be studied are unemployment and minimum wages. Theresearch was conducted in Bali Province. The quantitative data in this research were unemployment, minimumwages and poverty levels for the 2007-2021 period. The data source in this research is secondary data. The dataanalysis techniques used to solve the problems in this research are: 1) Classic Assumption Test which includes:Normality Test, Multicollinearity Test, Heteroscedasticity Test and Autocorrelation Test, 2) Hypothesis Testing usingMultiple Linear Regression Analysis Techniques.

Based on the results of the analysis, it is known that with a confidence level of 79.4 percent, all independentvariables have a simultaneous or partial effect on the dependent variable. This means that socio-economic factorsconsisting of unemployment and minimum wages influence the poverty level in Bali Province both simultaneouslyand partially. If we look at the coefficient of determination, only 79.4 percent of the variation in unemployment andminimum wages can explain the variation in poverty levels in Bali Province. This is because there are many otherfactors that influence the level of poverty in Bali Province, including other socio-economic factors that are notdiscussed in this research.

Keywords: poverty, unemployment, minimum wage, inclusive growth, socio-economic
INTRODUCTION

Development is a planned program carried out to create better living conditions which aims to create a just, competitive, advanced and prosperous society within the framework of an old country with the age of humanity itself and the realization of problems involving all aspects of human life (Suripto and Subayil, 2020). The success of a country's development can be seen from the decline in the number of poor people (Hakim, 2018). The steps that have been taken by the government in relation to accelerating inclusive and sustainable development with one of the indicators are reducing poverty by providing a strong foundation for its own strengths in development where the government has a very important role in accelerating inclusive growth, especially the main priority of development in rural areas in Indonesia. (Murthi et al., 2022).

Economic development is economic growth followed by changes in economic structure and activities (Sukirno, 2016). According to Jhingan (2022) Economic development can be achieved by increasing the welfare of a country where this partly depends on the quality of products produced by labor and partly is assessed on those products. One of the goals of economic development is to overcome the problem of income inequality and poverty (Istiqamah & Rahmani, 2018; Kabul, 2020). Poverty is a major problem for many citizens in the world, especially in developing countries. Poverty is a condition where a person cannot fulfill basic needs such as food, clothing, medicine and shelter (Hardinandar, 2019; Lok-Dessallien, 2009).

Indonesia is a developing country that has a very large population. Developing countries will never be free from various problems related to their citizens, one of which is economic problems. Economic problems and other aspects are no longer commonly heard in Indonesia, such as problems of poverty, unemployment, minimum wages and economic growth. The development efforts and programs that have been implemented so far have made a major contribution to alleviating the problem of poverty. Even though currently poverty is still a priority problem that has not been resolved (Margareni, et al., 2016; Artika, et al., 2020). Di tingkat nasional atau regional, kemiskinan sudah menjadi masalah yang kompleks dan kronis, tentunya masalah ini memerlukan strategi yang tepat dan berkelanjutan untuk mengatasinya. Masyarakat miskin juga dapat dikatakan mereka yang tidak memiliki tempat tinggal, kekurangan pangan, memiliki kesehatan yang buruk, dan penghasilan yang tidak mencukupi kebutuhannya. Salah satu ukuran sosial dan ekonomi dalam meningkatkan pembangunan pemerintah di suatu daerah adalah dengan adanya kemiskinan itu sendiri (Oktaviana et al., 2021; Alwi, dkk., 2022).

Currently, economic development in Indonesia is focused on sectors supporting the country's economic development. In developing countries, the blurred portrait of poverty, social inequality, unemployment, low education and so on, is described as identical to rural areas in general. For the Indonesian government, this blurred image has become the focus of attention and is currently being resolved. With the legal basis of the Act. Number 6 of 2014 concerning villages, the Indonesian Government carries out its mandate in stages in finding a solution to this problem. Law Number 6 of 2014 concerning Villages. Village-Owned Enterprises (BUM Desa) are one of the Village Government's roles in implementing the Village Law in order to advance the village. The management of village business entities is carried out in a spirit of kinship and mutual cooperation, where institutions or the government can play a role and collaborate with the community in advancing the performance of Village BUMs in running businesses in the economic sector and/or public services in accordance with the provisions of laws and regulations (Murthi, 2023).

Creation of hope that poverty levels can be reduced through economic development that can improve the welfare of society. According to Maipita (2014), the ultimate goal of economic development is to improve community welfare. Development is carried out in order to realize prosperity and welfare of the community (Ndacularak, et al., 2014). Various development strategies are carried out by the government to be oriented towards increasing economic growth and fair economic equality, namely by reducing the number of poor people. But in reality there is still a difference between expectations and reality on the ground in the form of poverty (Soeoto and Karisma, 2011).

In fact, Bali Province is one of the provinces in Indonesia that has rapid economic development, but amidst this rapid economic development there are still a number of poor people and inequality (Murthi, 2023), as presented in table 1. Based on the table above it can be seen that the number The poor population in Bali Province from 2012 to 2021 experienced fluctuations. In 2012 the number of poor people in Bali Province was 158,950 people with a poverty rate of 3.95% and in 2013 the number of poor people was 182,770 people with a poverty rate of 4.49%. The number of poor people in the following years continued to fluctuate or fluctuate until 2021. The highest number of poor people was in 2021, namely 201,970 people with a poverty rate of 4.53%. BPS (2021) recorded that the poverty rate for the first time in the last three years has increased, this is because the Covid-19 pandemic that has hit the world, including Indonesia, has had a significant impact on Bali's economy as a result of the decline in the tourism sector, which is the leading sector of Bali's economy.
Bali Province has a unique economic structure compared to other provinces in Indonesia. This is because the tourism sector is the mainstay sector in the source of income for Bali Province, while other sectors only play a supporting role (BPS Bali Province, 2018). The economic resources and potential possessed by a region or area can determine the progress of development in each district/city area which is included in poor areas. For example, Badung Regency which has a larger tourism sector than other districts, Gianyar Regency has the potential to develop a home industry craft sector, such as wood crafts, sculpture crafts which are in great demand by tourists (Artaman et al., 2015). Tabanan Regency has an agricultural sector and traditional people's markets which are then provided with capital by the government for marketing agricultural products (Murthi, 2023). Meanwhile, Karangasem Regency and Bangli Regency have relatively limited resources or potential, this can cause the rate of economic growth to be hampered. According to research by Murthi et al (2015), Bali province's income is still supported by people's high purchasing power and consumptive behavior towards trade products. According to Artini et al (2019), this elasticity shows that imported commodities between Bali are luxury goods and these commodities are used for fulfill the consumption of the local population, so that the trade sector grows faster when the Covid-19 pandemic is slowly starting to end. Even though Bali Province has been supported in its income by the economic potential of each district, Bali Province still has the same and relatively classic problem, namely the problem of poverty (Margareni et al., 2016).

Various efforts have been made by the Bali Provincial Government to alleviate the problem of poverty in Bali Province, including by preparing several draft development strategies for the Province of Bali, which are prepared in Bali Provincial Regulation No. 1 of 2014. This regulation explains regional medium-term development (RPJMD), in Bali Province for 2013-2018, namely controlling high population growth, accelerating system improvements and access to education, improving public health, overcoming poverty and unemployment. Based on the RPJMD, it can be seen that poverty is still a concern for the Bali Provincial government.

Poverty can be caused by the high number of unemployed, year by year unemployment tends to increase which causes social problems and poverty. The problem of unemployment arises because the labor force growth rate is fast but the labor force growth is slow. A high unemployment rate indicates a lack of success in development in a country. The limited number of available jobs is the main cause of unemployment and has a direct impact on high levels of poverty (O’Campo et al., 2015). Reducing the unemployment rate is the most important thing.

Unemployment has a bad impact on the economy because unemployment can prevent society from maximizing the welfare that will be achieved. Unemployment has social impacts on society, such as loss of livelihood and community welfare (Yanthi & Marhaeni, 2015). It is no less important that efforts to reduce unemployment and poverty must continue to be implemented and prioritized. If people are not unemployed and have income, they will be able to meet their living needs. If basic needs are met, poverty can be minimized. It is hoped that the unemployment rate will be low (high job opportunities), of course the poverty level will be reduced and the role of Village BUMs in developing the creative economy in villages and opening up employment opportunities in villages is needed (Murthi, 2023; Yanthi & Marhaeni, 2015).

The minimum wage is one of the factors that causes an increase in poverty levels (Prayoga et al., 2021). The minimum wage is an effort to improve the lives of people with low incomes, especially for workers who are classified as poor (Marjit et al., 2020). The minimum wage needs to be set because it is to meet the primary needs of society which are increasingly fluctuating and have a significant impact on poverty (Radityana et al., 2023).

**Formulation of the problem:**
Based on the background description above, the problem formulation in this research is:
1. Does unemployment have a partial effect on the poverty level in Bali Province?
2. Does the minimum wage have a partial effect on the poverty level in Bali Province?
3. Do unemployment and minimum wage simultaneously influence the poverty level in Bali Province?
Research Purposes

The aim of this research is to get answers to the problems formulated above: 1) To find out whether unemployment has a partial effect on the level of poverty in Bali Province; 2) To find out whether the minimum wage has a partial effect on the poverty level in Bali Province; 3) To find out whether unemployment and the minimum wage simultaneously influence the poverty level in Bali Province.

RESEARCH METHODS

A descriptive research design with a quantitative approach was used in the research. Research emphasizes testing theories through measuring research variables using numbers and analyzing data using statistical procedures, then complemented by descriptive explanations of phenomena occurring in the field that reflect the actual situation (Sugiono, 2010).

This research was conducted in Bali Province. Bali Province was chosen as the research location based on economic structure considerations. Bali has unique characteristics compared to other provinces in Indonesia. Where the economic pillars are built through the superiority of the tourism industry as the main sector compared to other provinces in Indonesia. The quantitative data in this research are unemployment, minimum wages and poverty rates for the 2007-2021 period.

The data source in this research is secondary data. Secondary data is data obtained indirectly through intermediaries (generated by other parties) or used by other institutions which are not included in the management but can be used in subsequent research

Operational Definition of Variables

1. The level of poverty is the socio-economic condition of a person whose basic rights have not been fulfilled to achieve a decent life. The data used in this research is the poverty level of Bali Province for the 2007-2021 period (in percent).
2. Unemployment is a person or group of people who are included in the workforce who do not or have not found work. The data used in this research is unemployment in Bali Province for the 2007-2021 period (in units of people).
3. Minimum Wage is the company's lowest monthly wage standard to determine the actual wages that will be given to workers. The data used in this research is the Bali Province minimum wage for the 2007-2021 period (in rupiah).

Data analysis technique

According to the opinion expressed by Sugiyono (2010) in quantitative research, data analysis is an activity after data from all respondents or other data sources have been collected. Activities in data analysis are: grouping data based on variables and type of respondent, tabulating data based on variables from all respondents, presenting data for each variable studied, carrying out calculations to answer the problem formulation, and carrying out calculations to test the hypothesis that has been proposed. The data analysis techniques in this research are as follows:

Multiple Linear Regression Analysis according to Riduwan (2009) is an analytical tool for forecasting the value of the influence of two or more independent variables on the dependent variable to prove whether or not there is a functional relationship or causal relationship between two or more independent variables (X1), (X2), …… …(Xn) with one dependent variable. Multiple Linear Regression Analysis in this research was used to determine the effect of Minimum Wage (X1) and Unemployment (X2) on the poverty level (Y) in Bali Province. The Multiple Linear Regression Analysis equation is formulated as follows (Sugiyono, 2009):

\[ Y = b_0 + b_1 X_1 + b_2 X_2 + \epsilon_i \]  

(1)

Information:

\[ Y = \text{Poverty level}; b_0 = \text{Constant}; b_1 = \text{Minimum Wage Coefficient}; b_2 = \text{Unemployment Coefficient}; X_1 = \text{Unemployment}; X_2 = \text{Minimum Wage}; \epsilon_i = \text{Standard error} \]

The coefficient of determination (R2) is used to determine how big the relationship or ability of variations in the independent variable is to contribute to the dependent variable simultaneously in percentage units. This coefficient value is between 0 and 1; if the result is closer to 0, it means that the ability of the independent variables to explain variable variations is very limited. But if the result is close to 1, it means that the independent variables provide almost all the information needed to predict variations in the dependent variable. According to Wirawan (2010), the coefficient of determination value can be calculated using the following formula:
\[ R^2 = \frac{a \sum Y + b_1 \sum X_1 Y + b_2 \sum X_2 Y - nY^2}{\sum Y^2 - nY^2} \]  

(2)

Information:
- \( R^2 \) = Coefficient of Determination; \( a = \) Intercept; \( Y = \) Poverty level; \( X_1 = \) Unemployment; \( X_2 = \) Minimum Wage; \( b_1 = \) Regression coefficient \( X_1 \); \( b_2 = \) Regression coefficient \( X_2 \).

RESULTS AND DISCUSSION

In this research, the description of the research results used is poverty levels, poverty, minimum wages and economic growth in Bali Province for the period 2007-2021. The following is presented in Table 2 the development of poverty levels, poverty, minimum wages and economic growth in Bali Province.

<table>
<thead>
<tr>
<th>Year</th>
<th>Level of Poverty (Y) (%)</th>
<th>Unemployment (X1) (People)</th>
<th>Minimum Wage (X2) (Rp)</th>
</tr>
</thead>
<tbody>
<tr>
<td>2007</td>
<td>6.63</td>
<td>77,577</td>
<td>622,000</td>
</tr>
<tr>
<td>2008</td>
<td>5.85</td>
<td>69,548</td>
<td>682,650</td>
</tr>
<tr>
<td>2009</td>
<td>4.88</td>
<td>66,470</td>
<td>760,000</td>
</tr>
<tr>
<td>2010</td>
<td>5.67</td>
<td>68,791</td>
<td>829,316</td>
</tr>
<tr>
<td>2011</td>
<td>4.59</td>
<td>65,716</td>
<td>890,000</td>
</tr>
<tr>
<td>2012</td>
<td>3.95</td>
<td>38,230</td>
<td>967,500</td>
</tr>
<tr>
<td>2013</td>
<td>4.49</td>
<td>41,820</td>
<td>1,181,000</td>
</tr>
<tr>
<td>2014</td>
<td>4.76</td>
<td>44,126</td>
<td>1,542,600</td>
</tr>
<tr>
<td>2015</td>
<td>4.74</td>
<td>47,210</td>
<td>1,621,172</td>
</tr>
<tr>
<td>2016</td>
<td>4.25</td>
<td>46,484</td>
<td>1,807,600</td>
</tr>
<tr>
<td>2017</td>
<td>4.25</td>
<td>36,143</td>
<td>1,956,727</td>
</tr>
<tr>
<td>2018</td>
<td>4.01</td>
<td>35,811</td>
<td>2,127,157</td>
</tr>
<tr>
<td>2019</td>
<td>3.79</td>
<td>39,288</td>
<td>2,297,969</td>
</tr>
<tr>
<td>2020</td>
<td>3.78</td>
<td>144,500</td>
<td>2,493,523</td>
</tr>
<tr>
<td>2021</td>
<td>4.53</td>
<td>138,699</td>
<td>2,493,523</td>
</tr>
</tbody>
</table>

Source: Bali Province Central Statistics Agency, 2022

Based on the data in Table 2, it can be explained that in the fifteen years starting from the 2007-2021 period, the development of the poverty rate in Bali Province experienced a freeze, where the lowest poverty rate was in 2020 at 3.78% while the highest poverty rate was in 2007 at 6.63%.

Unemployment in Bali Province for the 2007-2021 period experienced the lowest temperature, where the lowest level of decline occurred in 2018 at 35,811 people and the highest occurred in 2020, namely 144,500 people. The increase in poverty in 2020 was caused by the Covid-19 pandemic that hit the world, including Indonesia, especially Bali Province. This had an impact on the economy due to the decline in the tourism sector, which is the leading sector in Bali Province.

The minimum wage in Bali Province in 2007-2020 increased every year, but in 2020-2021 the minimum wage in Bali Province did not increase or decrease, which means the minimum wage for the last year was the same. In 2007, the lowest minimum wage was recorded at Rp. 622,000 and the highest in 2020 was IDR. 2,493,523. In 2021 the minimum wage for Bali Province will remain the same as in 2020, namely IDR. 2,493,523.

Multiple Linear Regression Analysis

By using the SPSS (Statistical Product and Service Solution) application version 21.0 for Windows, the analysis results obtained are as described in Table 3 below:

<table>
<thead>
<tr>
<th>Independent variable</th>
<th>Coefficient regression</th>
<th>t</th>
<th>Sig</th>
</tr>
</thead>
<tbody>
<tr>
<td>Unemployment (X1)</td>
<td>2.952</td>
<td>3.953</td>
<td>0.002</td>
</tr>
<tr>
<td>Minimum wage (X2)</td>
<td>-5.031</td>
<td>-2.323</td>
<td>0.040</td>
</tr>
<tr>
<td>Constant</td>
<td>2.590</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Coefficient of determination (R2)</td>
<td>0.794</td>
<td></td>
<td></td>
</tr>
<tr>
<td>F count</td>
<td>14.169</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Signifikasi</td>
<td>0.000 Signification</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

Source: SPSS
Based on Table 3, the multiple linear regression equation is: $Y = 2,590 + 2,952X1 - 5,031X2$ with the following explanation:

1) A constant of 2,590 means that if unemployment (X1) and minimum wage (X2) are 0 (constant), then the poverty level (Y) has an average value of 2,590 percent;
2) The regression coefficient for the Unemployment variable (X1) is 2,952, meaning that an increase in Unemployment (X1) of one hundred people will have an effect on an average increase in the poverty rate (Y) of 2,952 percent assuming the minimum wage variable (X2) is constant or fixed;
3) The regression coefficient for the minimum wage variable (X2) is -5,031 which means that an increase in the minimum wage (X2) by ten thousand rupiah will have the effect of reducing the poverty level (Y) by an average of 5,031 percent assuming the Unemployment variable (X1) is constant or still.

**Partial test (t test) and F test**

Partial hypothesis testing or the T test is used to test the influence of each independent variable (X) on the dependent variable (Y), with partial testing the real influence of the Unemployment and Minimum Wage variables on the poverty level in Bali Province will be tested.

1. Partial influence of unemployment (X1) on the poverty level in Bali Province.
   The regression coefficient test (b1) obtained a calculated $t$ value = 3.953 > $t$ table = 1.796 and the significance was less than 0.05 (0.002 < 0.05), so Ho was rejected and Ha was accepted. This means that unemployment has a real effect on the poverty level in Bali Province.

2. Partial influence of the minimum wage (X2) on the poverty level in Bali Province.
   The regression coefficient test (b2) obtained a calculated $t$ value = -2.323 < $t$ table = -1.796 and the significance was less than 0.05 (0.040 < 0.05), so Ho was rejected and Ha was accepted. This means that the minimum wage has a real positive effect on the poverty level in Bali Province.

3. F test (variance test), is used to strengthen the $R^2$ value, where from the calculated F calculation results it is obtained that it is 14.169 > $F$ table = 3.59 and the significance is less than 0.05 (0.000 < 0.05) so Ho is rejected and Ha accepted. This means that unemployment and the minimum wage simultaneously have a positive and real effect on the poverty level in Bali Province.

**Coefficient of determination**

Test the coefficient of multiple determination ($R^2$) to measure the magnitude of the contribution of the independent variables, including: Unemployment (X1) and Unemployment (X2) to the dependent variable, namely the poverty level in Bali Province (Y). Based on the data in table 4.5, it is known that the value of the multiple determination coefficient, namely $R^2 = 0.794$, means that the variation (up and down) of the poverty level variable in Bali Province (Y) is 79.4% influenced by unemployment (X1) and minimum wage (X2) and the remaining 20.6% is influenced by other variables outside the model included in this research.

**CLOSING**

**Conclusions**

In accordance with the results of the research and discussion described in the previous chapter, the following conclusions can be drawn:

1. Unemployment has a positive and real partial effect on the poverty level in Bali Province.
2. Unemployment has a positive and real effect on the poverty level in Bali Province.
3. Unemployment and the minimum wage simultaneously have a real influence on the poverty level in Bali Province.

**Recommendation**

As a result of the conclusions outlined above, several suggestions are put forward which are expected to provide benefits in adopting policies as an effort to reduce the level of poverty in Bali Province, that is:

1. To reduce the level of poverty in Bali Province which is related to the decline, it is hoped that the government can expand employment opportunities, provide counseling, training and job training to people who do not have jobs so that people can create jobs according to their own abilities so that they can develop their potential. by each person.
2. To reduce the level of poverty which is related to the minimum wage, the government and other parties are expected to increase the minimum wage and attract foreign or domestic investors in order to create jobs and adjust to the desired wages, it is best to increase the skills that the government or private sector offers high wages in order to balance the prices of goods and services in the market, thereby creating a prosperous society.


