Effect of Tourism, Proportion of MSME Credit, School Participation Rate, Regional Finance, Infrastructure and GDP on the Number of Poverty in Indonesia for the 2011-2019 Period

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Abstract
Poverty is still a big problem for developing countries, according to BPS there is a decrease in poverty every year (2011-2019) in Indonesia, it is still relatively large when compared to other countries, so poverty is included in the SDGs agenda because it has an important role in the process of sustainable development in the long term. Many factors affect poverty, the researcher aims to prove how tourism, the proportion of MSME credit, school participation rates, regional finances, infrastructure and GRDP partially affect the total poverty in Indonesia for the period 2011-2019, accompanied by other theories and supporters journal. This empirical proof uses secondary data from BPS and the Ordinary Least Square (OLS) Multiple Linear Regression method through an eviews data processing application. The results showed that if the number of indonesian tourist trips, the proportion of MSME loans, school participation rates aged 16 to 18 years, financial expenditures for regions, infrastructure and GDP are equal to zero, the number of poverty will be reduced by 19.66 million people. There is a significant negative influence between the number of tourist trips in the archipelago and the amount of poverty. There is a significant negative influence between the proportion of MSME loans and the amount of poverty. There is a significant negative influence between school participation rates aged 16-18 years and the number of poverty. There is a significant positive influence between infrastructure and the amount of poverty. There is a significant positive influence between GDP and poverty. There is a significant negative influence between regional financial expenditure and poverty.

Keywords: poverty, physical, financial

INTRODUCTION

Poverty is still a big problem for developing countries including Indonesia, although according to BPS the figure decreases every year (2011-2019), but still overall it is still in a large portion when compared to other countries. This is a joint responsibility of both the government and the community assisted by relevant institutions in each region to continue to reduce the poverty rate in a significant amount. So it is not surprising that poverty alleviation is included in the SDGs agenda because it has an important role in the process of sustainable development in the long term. One of the obstacles to development is poverty. (Damanik & Sidauruk, 2020), poverty is the inability to meet minimum needs. Development is said to be successful if people's per capita income increases or is feasible and the poor can be overcome or the number is significantly reduced. Each country has a policy in alleviating poverty that can be implemented in practice in each region in accordance with its capabilities and resources, where the central government in this case the state continues to supervise and assist from the State Budget as well as policies coordinated by each ministry which will later be followed by each region, which of course the regions themselves also have policies and financial capabilities (APBD).

One way to do this is by developing the tourism sector so that it can become a source of income for the surrounding community and the region. Indonesia with a dense population and classified according to income, so to help the poor is to empower people's income from the middle and upper economy. People in the prosperous or wealthy category, will have a tertiary need to travel, of course, the homework of each region to make its area to have an attraction to visit. The increasing number of tourist visits or tourist trips to an area has very many benefits for the region and the community as a source of income, the development of MSMEs and service industries in the midst of the community and the increase in tax revenues and levies as part of PAD which will later return to the community in certain development programs intended for the surrounding community.
Along with that, the proportion of MSME loans to total credit is an indicator that is used as a support to develop MSMEs as a bridge to poverty alleviation. According to BPS data (2011-2019) the proportion of MSME loans to total loans increases every year, this indicates that the development of MSMEs so that it slowly shows improving economic conditions because people are able to open their own jobs.

In addition, the participation rate of schools aged 16 to 18 years shows a number that continues to increase every year, this happens because BOS funding assistance from the central government has got the right place so that it is very targeted to be used by people to get the right to education with the long-term goal of being able to improve their destiny in the future. The age of 16 to 18 years is the age of high school, the productive age to be more mature in the world of work, so it would be nice for this age range to be used to hone their education and skills in order to get a decent job and be able to compete. Free education is no longer a reason for the poor to be unable to attend school, it is an effort that must be appreciated that changing fate must be preceded by changing mindsets and insights. (Ulfa and Mulyadi, 2020) mentioned that the poor have difficulty accessing microcredit skin from the PNPM Mandiri program because of the program design that restricts the poor. So far, there are still banks that are still hesitant in providing loans to micro-entrepreneurs.

The existence of infrastructure is a supporting facility where all economic activities can run well. Road infrastructure in paved conditions makes the mobility of economic activities can increase many times so that it can revive the local area and make it easier for people to do activities not only in economic activities (production, distribution and consumption) but also in other non-economic activities such as schools, traditional ceremonies, visiting health facilities and others.

GDP is basically an indicator of the size of an area when viewed from the scale of production which shows the number of people who work so as to produce goods and services, GDP cannot be used as an indicator of the welfare of a nagara, because it must be measured by the large number of people who then produce GDP per capita. For this reason, when viewed from BPS data (2011-2019) every year there is an increase, but the problem is that as GDP increases, the population also increases, so that the percentage of the poor population although declining but overall is still in very large numbers. In other words, the condition of GDP that continues to increase cannot represent the number of unemployed and poverty is significantly reduced or cannot represent the economy in a state of full employment.

Financial expenditure for regions can be defined as central transfers in the form of DAK (Special Allocation Fund and General Allocation Fund) which are used by regions for development purposes that are beneficial to the welfare of the community because they can create jobs / reduce unemployment and can reduce poverty, with figures that continue to grow every year according to BPS (2011-2019), this shows the seriousness of the government in tackling poverty in the region or as economic equality in certain areas, but the next evaluation is whether these expenditures can be managed properly so that the community feels the benefits of this development so that the areas that receive DAK and DAU every year reduce their poverty rate.

From the presentation of the data presented by BPS which represents the state of Indonesia during the period 2011-2019, researchers aim to scientifically prove how the influence of Tourism, Proportion of MSME Credit, School Participation Rate, Regional Finance, Infrastructure and GDP on the Number of Poverty in Indonesia for the 2011-2019 period partially, accompanied by theories and other supporting journals to support this empirical proof.

**METHOD**

The data used in this study are secondary data obtained from the Central Statistics Agency for the 2011-2019 period, the variables used are the number of archipelago tourist trips (million times), the proportion of MSME loans to total credit, school participation...
rates aged 16-18 years, financial expenditures for the regions, infrastructure (length of paved roads), real GDP (based on constant prices) and the number of poor people (villages and cities). The method used is OLS (Ordinary Least Square) with multiple linear regression using the *eviews* data processing application.

RESULTS AND DISCUSSION

**Result**

**Table 1. Research Results**

<table>
<thead>
<tr>
<th>Variables</th>
<th>Coefficient</th>
<th>Std. Error</th>
<th>t-Statistics</th>
<th>Prob.</th>
</tr>
</thead>
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<tr>
<td>C</td>
<td>-19.66036</td>
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<td>-3.768876</td>
<td>0.0637</td>
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<tr>
<td>LOG(WISNUS)</td>
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<td>APS1618</td>
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<td>0.001405</td>
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<td>0.0393</td>
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<tr>
<td>LOG(KEU)</td>
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<tr>
<td>LOG(INFRASTRUCUTURE)</td>
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<td>0.0118</td>
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<tr>
<td>LOG(GDP)</td>
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<td>0.244246</td>
<td>4.523842</td>
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<td>R-squared</td>
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<tr>
<td>Adjusted R-squared</td>
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<td>S.D. dependent var 0.059137</td>
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<td>S.E. of regression</td>
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<td>Sum squared resid</td>
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<td>Schwarz criterion -7.568416</td>
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<td>Hannan-Quinn criter. -8.052843</td>
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<td>Durbin-Watson stat 3.134002</td>
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<tr>
<td>Prob(F-statistic)</td>
<td>0.005275</td>
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<td></td>
<td></td>
</tr>
</tbody>
</table>

*Source: Results of *eviews* data processing, 2022*

\[
\begin{align*}
\text{LOG(JMLKEMISKINAN)} = \alpha \text{-LOG(WISNUS)} - \text{PROPORTIONSCREDITUMKM} - \text{APS1618} - \text{LOG(KEU)} + \text{LOG(INFRASTRUCUTURE)} + \text{LOG(GDP)} \\
\text{LOG(JMLKEMISKINAN)} = -19.66036 - 1.186185\text{LOG(WISNUS)} - 8.40E-08\text{APS1618} - 0.356330\text{LOG(KEU)} + 0.352177\text{LOG(INFRASTRUCUTURE)} + 1.104928\text{LOG(GDP)}
\end{align*}
\]

**Discussion**

The regression results show that if the number of tourist trips in the archipelago, the proportion of MSME loans, school participation rates aged 16 to 18 years, financial expenditures for regions, infrastructure and GDP are equal to zero, the number of poverty will be reduced by 19.66 million people. There is a negative correlation between the number of archipelago tourist trips and the number of poverty, every 1% increase in the number of domestic tourist visits will reduce the poverty rate by 1.18%, *Cateris paribus*. There is a negative correlation between the proportion of MSME loans and the amount of poverty, every 1% increase in the proportion of MSME loans will reduce the number of poverty by 5.35%, *Cateris paribus*. There is a negative correlation between school participation rates aged 16-18 years and the number of poverty, every 1% increase in school participation rates aged 16 to 18 will reduce the number of poverty by 0.35%, *Cateris paribus*. There is a positive correlation between infrastructure and the amount of poverty, every 1% increase in infrastructure will increase the number of poverty by 0.35%, *Cateris paribus*. There is a positive correlation between GDP and the amount of poverty, every 1% increase in GDP will increase the number of poverty by 1.1%, *Cateris paribus*. There is a negative correlation between regional financial expenditure and poverty, every 1% increase in regional financial expenditure will reduce poverty by 0.35%.
all independent variables have a significance level below 1% (probability below 1%) to their dependent variables, meaning that variable x has a significant effect on variable y (Tourism, Proportion of MSME Loans, School Participation Rate, Regional Finance, Infrastructure and GDP have a partial significant effect on the Number of Poverty in Indonesia for the 2011-2019 period). The R-squared of 0.99 indicates that Tourism, Proportion of MSME Credit, School Participation Rate, Regional Finance, Infrastructure and GDP can explain 99% of the total poverty in Indonesia, while the remaining 1% is explained by other variables not contained in the regression model. The results of this regression are supported by several journals of findings along with relevant theories.

Poverty

(Zainuri et al, 2021) The vicious cycle in the theory of poverty was introduced by Ragnar Nurkse who mentioned that "poor countries are poor because they are poor". Poverty is caused by low human productivity, this happens because the cost of schooling does not exist or does not support the result that in the long run it is difficult to get a job so that in addition to having an impact on itself (unable to provide for its living) and the country will experience a growing number of unemployed and poverty. This is the reason why a country cannot be saved. Poverty is divided into 5 dimensions, namely (a) Poverty (poverty), in this dimension a person is unable to meet the basic needs of his life. (b) Powerlessness, a person’s weakness in providing for the needs of his life so that he often gets injustice and unworthiness in life. (c) Vulnerability when in an emergency situation (State of emergency), facing unexpected situations and requiring extra costs (d) Dependency, relying on others so that it is difficult to solve life problems. (e) Isolation, inequality due to hard-to-reach residential locations from public facilities.

Infrastructure and Poverty

(Tinambunan et al, 2019) According to the 1945 Constitution article 34 paragraph 1 states that the poor and abandoned children are taken care of by the state. Road infrastructure and land transportation are still the main transportation in Indonesia in supporting the mobility of residents, goods and services in the development of an area, because it triggers the growth of new territories in driving the economy in the surrounding region. Until now, many roads have been built in areas outside Java, but if this only focuses on certain areas, in the long run it will cause inequality between regions, this is also due to the limited provision of transportation in the area. The road in good condition also makes transportation costs cheaper. The existence of a good road encourages economic growth because it makes greater access to production, market and capital resources. Roads are one of the important reasons in encouraging economic equality in an area.

Tourism and Poverty

(Zainuri et al, 2021) The continued increase in the number of tourist visits will increase the GRDP of the local area and the MSME sector in the area develops, investment increases, taxes increase, job opportunities increase and help people get to know science, technology and innovation, so that from this poverty continues to decrease. Research with the object of five ASEAN countries proves that Tourism investment has a significant negative influence on poverty rates. If there is a 1% increase in tourism investment, the poverty rate will decrease by 0.1%. Tourism labor has a significant negative influence on poverty rates., If there is an increase in tourism employment by 1%, it will lead to a decrease in the poverty rate by 1.9%. Tourism financial inclusion has a significant negative influence on poverty rates. If there is an increase in tourism financial inclusion by 1%, it will lead to a decrease in the poverty rate by 0.2%. This condition of full employment has not been achieved, so unemployment and poverty still exist today. The tourism industry is also called labor-intensive, because it requires the absorption of a large amount of labor. The existence of a negative relationship between employment and poverty indicates that a decrease in employment will increase the poverty rate and vice versa. Proponents of this theory are Adam Smith, David Ricardo, and Karl Marx.
Proportion of MSME Loans and Poverty
(Ulfia and Mulyadi, 2020). MSMEs have so far been able to open up considerable employment opportunities for people who do not have educational qualifications. This encourages the government to formulate poverty reduction policies, including the KUR program policy which is used to finance micro-enterprises. People are said to be poor when there is a low level of education, work productivity, income, health, and nutrition as well as their well-being. Poverty can be caused by limited formal and non-formal education channels which have consequences for low education. Poverty is not only a lack of food, clothing, and shelter, but also lack of access to productive resources and assets needed to meet basic needs. Development, both on a national and regional scale, is directed at reducing poverty, because development is also a process of improving an economy.

The National Team for the Acceleration of Poverty Reduction (TNP2K) (2011) divided poverty reduction programs in Indonesia into four clusters, (1) family protection programs in the form of poor student assistance, Public Health Insurance, Poor Rice (Raskin), Family Hope Program (PKH), Cash Direct Assistance (BLT). (2) community empowerment programs, such as the National Program for Community Empowerment (PNPM). (3) MSME empowerment programs, such as KUR and MSME Credit. (4) poverty reduction programs, namely low-cost public transportation programs, providing clean water, low-priced housing programs, low-cost and low-cost electricity programs. KUR is an effort by the government to reduce poverty by encouraging banks to channel credit to MSMEs. The distribution of KUR is regulated by the government through the Regulation of the Minister of Finance No. 135 / PMK.05 / 2008 concerning People's Business Credit Guarantee Facilities which has been amended by Minister of Finance Regulation No. 10 / PMK.05 / 2009, namely micro-enterprises that can receive guarantee facilities are productive businesses that have the feasibility (feasible) to obtain credit facilities from banks. The positive impact on the empowerment of MSMEs is to increase job opportunities, increase income, and reduce poverty. One of the efforts being made by the government is to mobilize the MSME sector through access to credit to financial institutions which will have an impact on reducing the number of poverty rates. One form of strengthening the community's economy is by empowering weak economic communities derived from micro-enterprises that can be strengthened by the government by providing convenience in obtaining access to capital.

School Participation Rate and Poverty (APS)
School Participation Rate (APS): the proportion of schoolchildren at a certain age level of education in the age group corresponding to the level of education. In this study using APS aged 16-18 years, meaning that this age range is the high school education level, which is expected to be able to prepare mental maturity and skills when entering the world of work, because technology as soon as it develops, it is hoped that this productive age range will be able to compete in the field of technology and innovation. (Hikma, A et al, 2017) Education participation affects the percentage of the number of poor people in Central Java Province by 0.784 or 78.4%. Any increase in the School Participation Rate by 1% will reduce 1.216% of poverty in Central Java Province, meaning that the school participation rate has a negative correlation with the number of poor people. By providing assistance for education costs and facilities, it is hoped that the higher school participation rate can reduce unemployment and poverty in Central Java, thus the development efforts carried out, especially in the field of education, are directed at realizing community welfare. In accordance with the 1945 Law article 31 Paragraph 2 states that every citizen is obliged to attend basic education and the government is obliged to pay for it.

GDP and Poverty
According to BPS, GDP has increased every year (2011-2019), the poverty rate in the same period has continued to decline, but the regression results show that there is a positive correlation between GDP and the number of poor people. This is due to the continued increase in population so that the quotient between GDP and population results
in per capita income, so it can be said that the greater the population increase, the lower per capita income, along with that the price or inflation factor also affects one's real per capita income when prices or inflation continues to rise. (Damanik & Sidauruk, 2020) Many factors affect the level of poverty, including population, unemployment, GRDP, and education. GDP is the total final goods and services produced by a country in a certain period of time. GDP is the same as GRDP, it's just that GDP is specifically for goods and services produced in certain regions, while GDP or GRDP is produced by the state (accumulation of all regions/regions). Whether the economy of a region is good or bad depends on the size of the region's GRDP. However, GRDP cannot be an indicator of people's welfare, because people's welfare depends on the per capita income of the region. That is why when the GDP is high it does not necessarily reduce poverty because the population growth rate is faster than the GDP growth, especially if income inequality or income distribution is still occurring in some regions. (Damanik & Sidauruk, 2020) The more the population in a country, especially developing countries, the poverty rate will increase. Poverty can be seen from at least two sides, namely (1) absolute poverty, which identifies the number of people living below a certain poverty line. (2) relative poverty, namely the share of national income received by each income group. In other words, relative poverty is very closely related to the problem of income distribution.

### Financial Expenditures for Regions and Poverty

(BPS) Regional expenditures consist of transfers to the regions and village funds. Regional transfers consist of balance funds and regional incentive funds, special autonomy funds and DIY privileges. (Permendagri Number 77 of 2020) Provisions Related to Transfer Income Referring to Articles 34 to 45 of Government Regulation Number 12 of 2019, provisions related to Transfer Income include: Transfer income consists of: 1) Central Government transfers; 2) inter-regional transfers. Central Government transfers consist of a Balance Fund, Regional Incentive Fund, Special Autonomy Fund, Privileges Fund, and Village Fund. The allocation of central government transfers is carried out in accordance with the provisions of laws and regulations. The Equalization Fund consists of a Profit Sharing Fund, a General Allocation Fund and a Special Allocation Fund. DBH and DAU are categories of General Transfer Funds, while DAK are categories of Special Transfer Funds. 1) DBH consists of Tax Revenue Sharing and Natural Resources Revenue Share; (2) DAU sourced from state budget revenues allocated with the aim of equitable distribution of financial capabilities between regions to fund regional needs in the context of implementing Decentralization; (3) DAK is sourced from the State Budget allocated to the Regions to fund special activities which are Government Affairs which are regional authorities determined by the Central Government in accordance with the provisions and laws and regulations.

The DAK consists of a Physical Special Allocation Fund and a Non-Physical Special Allocation Fund. The Regional Incentive Fund (DID) is sourced from the State Budget which is allocated to certain regions based on certain criteria with the aim of rewarding certain improvements and/or achievements of performance. (Law No. 1 of 2022) To create an effective and efficient allocation of national resources, it is necessary to regulate the governance of financial relations between the central and regional governments that is fair, aligned and accountable. transfers to the regions hereinafter referred to as TKD are funds sourced from the state budget, which is part of state spending allocated to regionally managed regions to fund the implementation of government affairs which is the regional authority.

The profit sharing fund (DBH) is part of the TKD allocated from the state budget to the regions to reduce fiscal inequality between the government and the regions as well as to other non-producing regions in order to overcome externalitas negative to increase regional equity. The general allocation fund (DAU) is part of the TKD allocated with the aim of reducing inequality in financial capability and public services between regions. The special allocation fund (DAK) is part of the TKD allocated to fund programs or activities that are of national priority and assist in the operationalization of public services. The
special autonomy fund is part of the TKD allocated to the regions to fund the implementation of special autonomy. The DIY privileges fund is part of the TKD allocated to support DIY privilege affairs. Village funds are part of the TKD intended for villages with the aim of supporting funding for government administration, development implementation, community empowerment, and community. So regional finances are basically used to prosper the people of a region, so it is hoped that the greater the allocation of funds given can reduce the level of poverty or increase welfare, provided that the allocation of these funds can be right on target according to their allocation.

CONCLUSION

The regression results show that if the number of domestic tourism trips, the proportion of MSME credit, the school enrollment rate of 16 to 18 years, regional financial spending, infrastructure and GDP are equal to zero then the number of poverty will be reduced by 19.66 million people. There is a negative correlation between the number of domestic tourist trips and the amount of poverty. There is a negative correlation between the proportion of MSME credit and the amount of poverty. There is a negative correlation between the school enrollment rate of 16-18 year olds and the amount of poverty. There is a positive correlation between infrastructure and the amount of poverty, this is contrary to theory but can be scientifically explained that road infrastructure without the provision of transportation will not significantly reduce the poverty rate, because not all people have vehicles. Another thing that causes the increase in the poverty rate when infrastructure increases is the focus on infrastructure development only in certain areas, resulting in inequality of development. There is a positive correlation between GDP and poverty. This is due to the continued increase in population so that the quotient between GDP and population results in per capita income, so it can be said that the greater the population increase, the lower per capita income, along with that the price or inflation factor also affects one’s real per capita income when prices or inflation continues to rise. There is a negative correlation between regional financial expenditure and poverty, every 1% increase in regional financial expenditure will reduce poverty by 0.35%.

All independent variables have a significance level below 1% (probability below 1%) on the dependent variable, meaning that the x variable has a significant effect on the y variable (Tourism, the Proportion of MSME Credit, School Participation Rates, Regional Finance, Infrastructure and GDP have a partially significant effect on Total Poverty in Indonesia for the 2011-2019 period). An R-squared of 0.99 indicates that Tourism, the Proportion of MSME Credit, School Participation Rates, Regional Finances, Infrastructure and GDP can explain 99% of the total poverty in Indonesia, while the remaining 1% is explained by other variables not present in the regression model. The regression results are supported by several journal findings along with relevant theories.

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