



Research Paper

Determinan Poverty In District With The Highest Poverty Rate In South Sulawesi Province

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ABSTRACT: The objectives of this research is to analyze the direct and indirect effects of education, health, and the number of people working on poverty intervening GRDP in the District with the highest poverty rate in South Sulawesi Province. The type of data to be analyzed in this research is secondary data in the form of data panels (pooled data) with the characteristics of cross section and time series simultaneously. The data was analyzed using Path Analysis method, through the application software SPSS Amos 21. The results showed that for direct effect, education and working population had a positive and significant effect on GRDP, health had a negative and significant effect on GRDP. Education and the working population have a negative and significant effect on poverty, the GRDP and health have no significant effect on poverty. For indirect effects, education and the number of GRDP people working through have a positive and significant effect on poverty, health through GRDP has a negative and significant effect on poverty.

KEYWORDS: education, health, working population, GRDP, poverty.

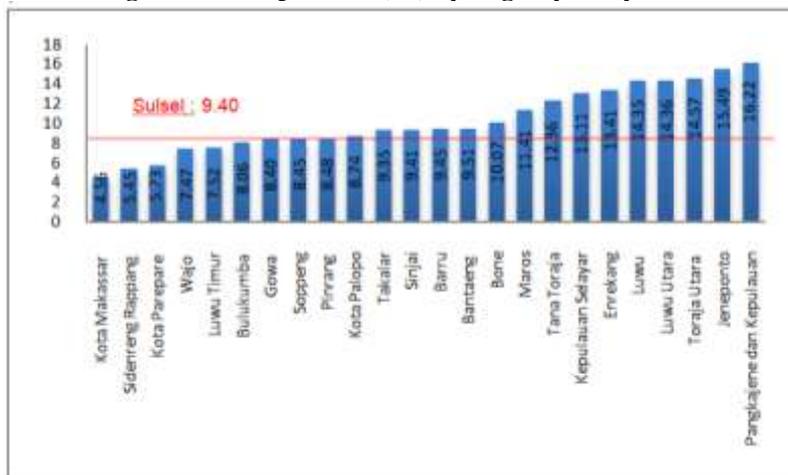
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I. INTRODUCTION

Poverty is a complex and multidimensional problem, which is a scourge that is very difficult to solve. South Sulawesi Province is one of the regions in Indonesia that still faces poverty problems. Although it is one of the provinces that has a fairly good economic growth rate. But the poverty rate in South Sulawesi Province is still quite high.

Addressing the problem of poverty cannot be done separately from the problems of unemployment, education, health and other problems that are explicitly closely related to the problem of poverty. In other words, the approach must be carried out across sectors, cross-actors in an integrated and coordinated and integrated manner.

Figure 1.1 Percentage of Poor Population (P0) by Regency / City in South Sulawesi 2016



Source : South Sulawesi Central Bureau of Statistics

Figure 1.1 shows that several districts in South Sulawesi province in 2016 still had a percentage of poor people above the provincial percentage. The relatively large number of poor people in several districts / cities in South Sulawesi can confirm that poverty reduction policies and programs that have been implemented massively in recent years do not seem to be effective enough to improve the living standards of the poor. Data shows that the order of poverty in districts / cities in South Sulawesi province tends to remain unchanged from 2014-2016, it can be said that districts with the highest poverty rates are Pangkajene and Islands districts, Jeneponto, North Toraja, North Luwu, Luwu, Selayar Islands, Enrekang, Tana Toraja, Maros, and Bone.

Based on some of these descriptions, the authors are interested in examining the effect of education, health and population working on poverty through a variable between the Gross Regional Domestic Product (GRDP) in the district with the highest poverty rate in South Sulawesi by conducting a study in the title " **Determinan Poverty in District with the Highest Poverty Rate in South Sulawesi Province** "

II. RESEARCH METHODS

Data Types and Sources

Types of data to be analyzed in this research are secondary data in the form of data panels (pooled data) with the characteristics of cross section and time series simultaneously. The cross section data in this study is data consisting of 10 districts with the highest poverty rate in South Sulawesi Province, which consists of Pangkajene and Islands districts, Jeneponto, Toraja Utara, Luwu Utara, Luwu, Selayar Islands, Enrekang, Tana Toraja, Maros , and Bone. While for time series data, it is the entity data with the time / period dimensions in this study using the period 2010-2017.

In this case the data sources used are data from the Central Bureau of Statistics (BPS) in the form of average length of school data, life expectancy, working population, constant price GRDP, percentage of poor people. As well as several literary theories, concepts and empirical studies that are used to explain the relationships between variables obtained from text books and related journals.

Analysis

The Method used is an analytical method Path Analysis model. Through the software application SPSS21.

III. RESEARCH RESULTS

Direct Effect of Education on GRDP and Poverty

The estimation of education (average length of schooling) of GRDP is 2.727 with a significance level of 0.000, this means that the average length of school has a positive and significant effect on GRDP. Every increase in the average length of schooling by 1 year will increase the GRDP by 2.727 rupiah. Likewise on the contrary, every decrease in the average length of schooling by 1 year will reduce the GRDP by 2.727 rupiahs.

The estimation of Education (average length of schooling) of poverty is -7.838 with a significance level of 0.002 this means that the average length of school has a negative and significant effect on poverty. Every increase in the average length of schooling by 1 year will reduce poverty by 7.838 percent. Likewise, every decrease in the average length of schooling by 1 year will increase poverty by 7.838 percent.

Direct Effect of Health on GRDP and Poverty

Health estimation results (life expectancy) on GRDP is -8.687 with a significance level of 0.000 this means that life expectancy has a negative and significant effect on GRDP. Every increase in life expectancy by 1 year will reduce GRDP by 8,678 rupiah. Likewise, every decrease in life expectancy by 1 year will increase GRDP by 8,678 rupiah.

Health estimation results (life expectancy) on poverty is -0.606 with a significance level of 0.940 this means that life expectancy has no significant effect on poverty.

Direct Effect of Working Population on GRDP and Poverty

The estimation result of the working population on GRDP is 1,088 with a significance level of 0,000 this means that labor absorption has a positive and significant effect on GRDP. Every increase in the working population of 1 person will increase the GRDP by 1.088 percent. Likewise, every decrease of the working population of 1 person will reduce the GRDP by 1,088 rupiah.

The estimation result of working population on poverty is -2.736 with a significance level of 0.002, this means that the working population has a negative and significant effect on poverty. every increase in the working population of 1 person will reduce poverty by 2.736 percent. Likewise on the contrary, every decrease in the number of people working by 1 person will increase poverty by 2.736 percent.

Direct Effect of GRDP on Poverty

GRDP estimation results on poverty by 0.466 with a significance level of 0.499 this means that GRDP has no significant effect on poverty.

Indirect Effect of Education on Poverty

The results show that the indirect effect of education (average length of schooling) on poverty is 1.271 with a probability of 0.000 this indicates that education (average length of school) has a positive and significant impact on poverty through GRDP. Every increase of 1 year of education (average length of school) will increase poverty by 1.271 percent. Likewise, every decrease of 1 percent of education (average length of school) will reduce poverty by 1.271 percent.

Indirect Effect of Health on Poverty

The indirect effect of health (life expectancy) on poverty is -4,046 with a probability of 0,000, this means that health (life expectancy) has a negative and significant effect on poverty through GRDP. Every 1 year increase in health (life expectancy) will reduce poverty by 2,757 percent. Likewise, every decrease in 1 year of health (life expectancy) will increase poverty by 2,757 percent.

Indirect Effect of Population Working on Poverty

The indirect effect of working population on poverty is 0.507 with a probability of 0.000, this means that the working population has a positive and significant effect on poverty through GRDP. Every increase of 1 soul the number of working population will increase poverty 0.507 percent. Likewise on the contrary, every decrease of 1 soul the number of working population will increase poverty by 0.507 percent.

IV. DISCUSSION

The positive and significant Effect of education on GRDP, means that increased education will increase GRDP in districts with the highest poverty rates in South Sulawesi Province. These results are in accordance with the initial hypothesis stating that education has a positive and significant direct effect on GRDP. Likewise, there is a negative and significant Effect on poverty, meaning that increased education will reduce poverty in the district with the highest poverty rate in South Sulawesi Province. These results in accordance with the initial hypothesis state that education has a direct negative and significant impact on poverty.

The results of the statistical analysis have shown consistency with the theory proposed by Todaro and Smith, (2003) that education is a fundamental development goal, education plays a key role in shaping a country's ability to absorb modern technology and to develop capacity to create sustainable development. (Perkins et al, 2013) revealed that education services will increase productivity and income, which in turn contribute to poverty reduction.

The negative and significant effect of health on GRDP means increasing health will reduce GRDP in districts with the highest poverty rate in South Sulawesi Province. Likewise, this result is not in accordance with the initial hypothesis stating that health has a positive and significant direct effect on GRDP. That is, the hypothesis is rejected.

There is a negative Effect between health on GRDP in districts with the highest poverty rate in South Sulawesi Province indicating that the increase or decrease of GRDP is not affected by the increase or decrease in health of the population in the district with the highest poverty rate in South Sulawesi Province. Theoretically, the higher the level of public health in a region, the higher the economic growth of the community. But the results of the study show the opposite condition, namely the higher level of health actually decreases the GRDP. While the results of health estimates have no significant effect on poverty. This shows that many years that a person can live in life does not affect the level of poverty at the macro level if it is not accompanied by proper education and high work productivity.

The insignificant effect of GRDP on poverty means that GRDP in districts with the highest poverty rate in South Sulawesi Province has no effect on Poverty Reduction. Likewise on the contrary, these results are not in accordance with the initial hypothesis stating that GRDP has a direct positive and significant effect on poverty. That is, the hypothesis is rejected.

These results are in line with the findings of Kuznets (1955) which in the early stages of development, growth will lead to deteriorating income distribution, while poverty can be reduced through growth and / or increasing income distribution. Research conducted by Faroh (2015) investigating economic growth and poverty reduction in Sierra Leone. The results showed that the added value of gross domestic product did not have a significant impact on poverty reduction because the policies directed to income distribution were not implemented.

To reduce poverty by reducing income inequality by more equitable income redistribution in other words, how to achieve infrastructure goals and provide maximum benefits to the economy and society, conditions of poverty depend on growth and growth depend on conditions and dynamics of inequality income. The indirect effect of working population on poverty has a negative Effect, this shows that the working population is still dominated by urban residents, most of whom are not included in the poor. That's why even though there is an increase in the working population, poverty cannot be overcome.

V. CONCLUSIONS AND RECOMMENDATIONS

Based on the data that has been processed and analyzed, it can be concluded: For Direct Effect on GRDP: Education has a positive and significant impact on GRDP. Health has a negative and significant effect on GRDP. The working population has a positive and significant effect on GRDP. For Direct Effect on Poverty: Education has a negative and significant impact on poverty. Health has no significant effect on poverty. The number of working population has a negative and significant effect on poverty. GRDP does not have a significant effect on poverty. For Indirect Effect on poverty through GRDP: Education on poverty through GRDP has a positive and significant effect on poverty. Health against poverty through GRDP has a negative and significant effect on poverty. The number of people working against poverty through GRDP has a positive and significant effect on poverty.

Suggestions from this study that efforts to reduce poverty in districts with the highest poverty rate in the province of South Sulawesi will be more influential if: If the government wants education, health and working population to be able to reduce poverty through GRDP it is necessary to improve and provide maximum in these sectors so that it can increase GRDP and reduce poverty rates in the districts with the highest poverty rate in South Sulawesi Province. GRDP has an insignificant Effect on poverty. In other words, the increase in GRDP that occurs in districts with the highest poverty rates in South Sulawesi Province has not been evenly distributed. Therefore, the main key in overcoming poverty in regencies with the highest poverty rate in South Sulawesi Province lies in how to make people's income evenly distributed through GRDP. It is necessary to expand access for the poor to be able to reach education and health facilities so that in the future their productivity can increase. The high working population is still invisible to the urban population, while in fact the poor are mostly in rural areas. This is where the role of the government is needed to empower poor people in rural areas to get jobs to increase income which will then free them from poverty.

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