

Tourism and poverty alleviation in Bangka Belitung Islands

Nabila Nursyadza¹, Herniwati Retno Handayani²

Universitas Diponegoro Semarang, Indonesia^{1,2}

Received: 5-12-2021 | Revision: 20-12-2021 | Accepted: 20-01-2022

DOI: <https://doi.org/10.22219/jiko.v7i01.19310>

Abstract

This research aims to study the tourism sector's role in poverty reduction in the Bangka Belitung Islands Province. Independent variables used in this study include the number of tourists, business units in the tourism sector, and the number of employments in the tourism sector. Data from the Central Bureau of Statistics comprised six districts and one city in the Bangka Belitung Islands from 2013-2018. Ordinary least square is used in this study. The results of this study indicate that the three independent variables in the survey simultaneously affect the dependent variable. Partially, the number of tourists and business units in the tourism sector have adverse and significant effects on poverty reduction. In contrast, the employment variable in the tourism sector partially has a positive and insignificant impact on poverty reduction in the Bangka Belitung Islands Province.

Keywords: Tourism; business; employment; and poverty

¹ nursyadzanabila@gmail.com

Introduction

The tourism sector is a primary sector in global economic activity. Gibson (2009) states that the tourism sector is beneficial for the economic growth of developing countries; in line with Gibson (2009), Ashley (2001) states that the tourism sector is an effective means to reduce poverty. GATS (general agreement on trade and service) opens up opportunities for the tourism industry to become one of the largest service industries in the world. In this case, to continue to develop the government's tourism sector as a development formulator and controller of public policy, tourism law no. 10 of 2019, where the law places tourism as an inseparable part of national development. In line with this, the government also made a "Master Plan for Acceleration and Expansion of Indonesia's Economic Development" to make this master plan itself accelerate economic growth based on the potential and advantages of each region in Indonesia.

One area that continues to develop the tourism sector is the Province of the Bangka Belitung Islands, where this province continues to create and establish special economic zones (SEZs). SEZs are carried out to grow competitiveness, compatibility, and complementarity with other economic corridors, attracting investors to invest in their respective regions. The development of a tourism SEZ in the Province of the Bangka Belitung Islands has an impact on the emergence of new tourist destinations that attract both domestic and foreign tourists to the Province of the Bangka Belitung Islands. According to data released by BPS, the number of domestic and foreign tourists visiting the Bangka Belitung Islands province continued to increase from 2013 to 2018; were 2018, there were 417,818 domestic tourists and 8,124 foreign tourists.

Indirectly, an increase in the number of tourists impacts the number of tourist expenditures according to the goods and services consumed. In 2017, there were 362,279 thousand domestic tourist visits to the Bangka Belitung Islands Province, with a total spending of Rp. Seven hundred twenty-seven billion with an average expenditure of Rp. 2.2 million. Domestic tourists spend the most significant expenditure on food, beverages, tobacco, shopping/souvenirs, air transportation, and accommodation. Meanwhile, foreign tourist visits in 2017 were recorded at 7,143 thousand people, with the total expenditure reaching Rp. 53.07 billion. The most significant spending issued by foreign tourists on their travel to the Province of the Bangka Belitung Islands is primarily for air transportation, accommodation, food, beverages, and tobacco. The increase in tourist visits in the Province of the Bangka Belitung Islands also has an impact on the development of business units as providers of tourist needs, such as micro, small and medium units that utilize natural resources owned by the Province of the Bangka Belitung Islands such as

souvenir SMEs, batik SMEs typical of Bangka Belitung and SMEs typical of Bangka Belitung food.

In connection with the statement above, the increase in tourist arrivals and the continued growth of business units in the tourism sector in the Province of the Bangka Belitung Islands have an impact on the opening of job opportunities such as tour guides and various jobs in various other tourism service businesses; this is in line with the increasing number of distribution of tourist attractions and the growing number of workers absorbed in each tourist attraction from 2013-2018 in the province of the Bangka Belitung islands for natural tourism, cultural tourism, and artificial tourism. Table 1 shows the number of distributions of tourist attractions and the absorption of labor in the distribution of tourist attractions in the Province of the Bangka Belitung Islands from 2013-2018.

The development and growth of the tourism sector within the scope of the state and region cannot be separated from a problem that can hinder the growth and development of the state and territory, namely the problem of poverty. In line with these problems, it can be seen that the number of poor people in the Province of the Bangka Belitung Islands continues to fluctuate from year to year. Due to the difficulty of land for business, the decline in prices of agricultural products, and post-tin mining conditions, which indirectly weaken the community's economy, where the majority of the population in districts and cities in the Bangka Belitung Islands Province work in the primary sector, namely in agriculture, plantations. And mining. Table 2 shows the development of the poverty rate in the Province of the Bangka Belitung Islands from 2013-2018.

To eradicate poverty, an appropriate and sustainable strategy is needed. Therefore, local governments continue striving to shift people's livelihoods from the primary to the tertiary sector, especially in the tourism sector. The tourism sector is one sector that is exceptionally strategic in solving the problem of poverty; this is in line with what was stated by Ashley C. et al. (2001), which states that tourism is an effective means to reduce poverty through the absorption of labor from low-income families at every job opportunity available in the tourism sector in the context of providing goods and services needed by tourists.

This condition is in line with previous research conducted by Patera (2015) and Gunadi (2019), which stated that the tourism sector would provide opportunities for the poor to work and eradicate poverty in the region or region and the role of the tourism sector is very positive for economic growth, not only in the macro scope through increasing foreign exchange earnings for national development but also in the microscope, especially for the poor, through community involvement in creating a variety of souvenir products needed by

tourists. However, another study by Jamieson et al. (2004) and Mbaiwa (2005) stated that the development of the tourism sector has not been able to alleviate poverty. Based on the description above, the researcher contributes to a more in-depth study of the tourism sector's role in poverty reduction in the province of the Bangka Belitung islands.

Method

The dependent variable used in this study is the number of poor people. And for the independent variables used in this study are the number of tourists (domestic and foreign), the number of business units in the tourism sector, and the number of employments in the tourism sector. The type of data used in this study is secondary data obtained from BPS in each district and city in the Province of the Bangka Belitung Islands, the Disbudpar of the Bangka Belitung Islands Province, the Diskop and UMKM of the Bangka Belitung Islands Province, the Manpower Office of the Bangka Belitung Islands Province, and other sources and related to research problems. This study uses panel data. The panel data consists of data from 6 districts and one city in the Province of the Bangka Belitung Islands for 2013-2018.

Empirical Result

The results, as seen in Table 1, show an R-squared of 0.971297. From these results, it can be concluded that the variation of the independent variables (number of tourists, the number of business units in the tourism sector, and employment) can explain the variation in the dependent variable, namely the reduction in poverty by 97.00%. At the same time, the rest is explained by other variables outside the research model.

Table 1. Regression Results

Variable	Coefficient	F-Stats	t-Stats	Prob.	R-squared
C	7.441383	0.647450	11.49336	0.0000	0.971297
LnW	-0.143870	0.065519	2.195870	0.0355	
LnUP	-0.238434	0.102147	2.334230	0.0260	
LnPTK	0.012232	0.050189	0.243722	0.8090	

The effect of the number of tourists on poverty reduction

The variable number of tourist visits has a negative and significant effect on poverty reduction in the Province of the Bangka Belitung Islands, where from the panel data regression results, the path coefficient or elasticity of the number of tourists towards poverty reduction is -0.143870 with a t-statistic value of 2.195870 and a t-table value of 1.68830. This shows a significant effect between the number of tourists and poverty because t-count > t-table (2.195870 >

1.68830). This result is by the theory, the path coefficient or elasticity in the study shows the number of tourists has a negative influence on poverty reduction, meaning that the increasing number of tourists by 1 thousand people has an impact on decreasing poverty by 14.38 thousand people in the Province of the Bangka Belitung Islands.

Similar results are shown by research conducted by Patera (2015), where the results show that the variable number of tourist visits has a negative and significant impact on poverty reduction; this is because the varying number of tourist visits will have a direct effect on the contribution of hotel and restaurant taxes (PHR) which will then be directly related to government revenues which are used for poverty alleviation in every district and city in the Province of the Bangka Belitung Islands. Archer (2000) also states that the amount (volume) of tourist spending will directly impact the trade, hotel, and restaurant sectors, where the development of the tourism sector has an impact on increasing regional income, which is used to alleviate poverty.

The effect of business units in the tourism sector on poverty reduction

The variable number of business units in the tourism sector has a negative and significant effect on poverty reduction in the Province of the Bangka Belitung Islands, where from the panel data regression results, the path coefficient or elasticity of the number of business units in the tourism sector on poverty reduction is -0.238434 and is the variable with the most significant influence. On poverty compared to other variables in this study. With a t-statistic value of 2.334230 and a t-table value of 1.68830, this indicates a significant effect between the variable number of business units in the tourism sector and poverty because $t\text{-count} > t\text{-table}$ ($2.334230 > 1.68830$). This result is by the theory, the path coefficient or elasticity in the study shows the number of business units in the tourism sector has a negative influence on poverty reduction, meaning that the increasing number of business units in the tourism sector by 1 thousand units, has an impact on the decline in poverty by 23.84 thousand people in the tourism sector. Bangka Belitung Islands Province.

Similar results are shown by research conducted by Gunadi (2019); where according to him, three units of deeper study are needed in the tourism industry, namely through (1) tourism business units, (2) tourists, and (3) underprivileged households. Gunadi's research (2019) is in line with Ashley et al. (2001), which states that the tourism sector's role is very positive for microeconomic growth, especially for the poor. In this case, the community is involved in creating various souvenir products that tourists need. Micro-enterprises' development to support tourism needs impacts increasing community income from tourists in each district and city in the Province of the Bangka Belitung Islands.

The effect of employment in the tourism sector on poverty reduction

The variable number of employments in the tourism sector has a positive but not significant effect on poverty reduction in the Province of the Bangka Belitung Islands, where from the panel data regression results, the path coefficient or elasticity of the number of business units in the tourism sector towards poverty reduction is 0.012232. With a t-statistic value of 0.243722 and a t-table value of 1.68830, this indicates an insignificant effect between the variable number of employments in the tourism sector and poverty because $t\text{-count} < t\text{-table}$ ($0.243722 < 1.68830$). The path coefficient or elasticity in the study shows the number of jobs in the tourism sector has a positive influence on poverty reduction, meaning that the increasing number of jobs in the tourism sector by 1 thousand people has an impact on increasing poverty by 01.22 thousand people in the Archipelago Province. Bangka Belitung.

Similar results are shown by research conducted by Bazalia (2019), which says that tourism is not limited only to a source of foreign exchange income but also plays a role in the entry of investment and opening up job opportunities for equitable distribution of people's income to reduce poverty. In addition, Anwar (2012) also said that the development of the tourism sector has an impact on the absorption of the workforce in the tourism sector, which then provides opportunities for the poor to work and eradicate poverty in an area.

Conclusions

Based on the results of research on the role of the tourism sector in reducing poverty in the Province of the Bangka Belitung Islands, the following conclusions can be drawn a) the number of tourists has a negative and significant effect on poverty reduction in the Province of the Bangka Belitung Islands; the number of business units in the tourism sector has a negative and significant impact on poverty reduction in the Province of the Bangka Belitung Islands; c) the amount of employment in the tourism sector has a positive and insignificant effect on reducing poverty in the Province of the Bangka Belitung Islands.

References

- Anwar, Jahid Md. 2012. *Poverty Alleviation Through Sustainable Tourism: A Critical Analysis Of 'Pro-Poor Tourism' And Implications For Sustainability In Bangladesh*. Journal of Science in International Cooperation Policy. Volume 5, No. 2. Pg. 1-9.
- Ashley, Caroline., Dilys Roe and Harold Goodwin. 2001. *Pro-Poor Tourism Strategies: Making Tourism Work For The Poor*. ODI (Overseas Development Institute) . London .

- Athanasopoulou, Anna. 2013. *Tourism as a driver of economic growth and development in the EU-27 and ASEAN regions*. EU Center. Singapore .
- Central Bureau of Statistics. *Bangka Belitung in 2019 Figures* . Bangka Belitung Islands Province.
- Bazalia, Nada. *The Effect of Tourism Performance on Poverty Levels in Selected ASEAN Countries 2002-2017*. Essay. Syarif Hidayatullah State Islamic University. Jakarta.
- Cooper, Chris. 2005. *Worldwide Destination: The Geography of Travel and Tourism (fourth edition)* . Elisevier Butterworth Heinemann. Oxford.
- Department of culture and tourism. 2017. *Regional Tourism Satellite Accounts* . Division of Data Management and Network Systems. Bangka Belitung.
- Fitri, Shavinia. *The Influence of the Tourism Industry on Employment Opportunities in the Tourism Sector in the Province of Bali in 2012-2015*. Essay. Syarif Hidayatullah State Islamic University. Jakarta.
- Gibson, Chris. 2009. *Geography of tourism: critical research on capitalism and local livelihoods* . Journal of Human Geography. Volume 33, No. 4. Pages: 527-534.
- Gujarati, DN 2013. *Fundamentals of Econometrics* . Fifth Edition. Mangunsong, RC, translator. Salemba Four. Jakarta.
- Gunadi, Ni Putu. 2019. *The Influence of the Tourism Sector on Poverty in the Province of Bali*. Scientific Journal of the Faculty of Economics and Business. Volume 8, No. 1. pp. 1 – 12.
- Jamieson, et. al. 2004. *Contribution of Tourism To Poverty Alleviation: Pro-Poor Tourism and Challenge of Measuring Impacts*. For Transport Policy and Tourism Section Transport and Tourism Division. UN ESCAP.
- Kusuma, Hendra, et al. 2017. *The Effect of Tourism Potential on Labor Absorption in the Tourism Sector in East Java Province in 2012-2015* . Journal of Economics. Volume 1, No.3. pp. 324-339.
- Mbaiwa, JE. 2005. *Enclave tourism and its socio-economic impacts in the Okavango Delta, Botswana*. Journal of Tourism Management. Volume 1, No. 26. pp. 157 – 172.
- Patera, Made., et. al. 2015. *Effect of Tourism And Economic Performance On Poverty In Bali*. International Journal of Multidisciplinary Educational Research. Volume 4, No. 12. pp. 1-15.
- Suharto, Eddie. 2005. *Building Community Empowering People*. PT Refika Aditama. Bandung.
- Law of the Republic of Indonesia Number 10 of 2009 concerning Tourism.

