Vol. 5 No. 1
ISBN: 978-623-7144-28-1

Phenomena of Poverty in Rural Areas and Its Construction Through Employment

Nur Imam Saifuloh[1], Suharno [2⍰], and Abdul Aziz Ahmad[3]
[1] Master Student of Economics, Universitas Jenderal Soedirman
[2,3] Economics and Development Studies, Faculty of Economics and Business, Universitas Jenderal Soedirman

Abstract. The phenomenon of poverty in rural areas shows a higher rate than poverty in urban areas. The government seeks to overcome this by opening opportunities to work between regions and between countries. This is done in order to increase the income of the population in rural areas which are dominated by the agricultural sector. This study aims to analyze the relationship between the number of people who work according to the location (between regions and between countries) and poverty in rural areas by using time series data of Wonosobo Regency between 2008 - 2018. Based on the results of research and data analysis, it was found that: First, the number of Inter-Regional Inter-Indonesian Workers (TKI-AKAD) had a negative and significant effect on rural poverty; Second, the number of Inter-Indonesian Inter-Labor Workers (TKI-AKAN) has a negative and significant effect on rural poverty; Third, the agricultural sector is no longer the main occupation of rural communities in line with the increasing number of people working outside their area; Fourth, the population working outside the area is dominated by residents who work in the informal sector. The implication of the above conclusion is to be able to reduce poverty so that the number of people working outside their regions both inside and outside the country must be increased. Increasing the qualifications of the rural population needs to be adjusted to the needs of the non-agricultural sector. This is so that residents who work outside the area can occupy strategic positions and increase the number of people working in the formal sector.
Keyword: 1 Employment · 2 Agriculture sector · 3 Non-agriculture sector · 4 Rural

1. INTRODUCTION

Poverty is a problem comes together with development. Poverty is still a problem in all countries in the world. Although the poverty standard for each country is different, all of them try to reduce poverty. Therefore, one of the successes of development can be seen from how much the poverty rate decreases.

The emergence of the problem of poverty is caused by several factors. Kuncoro (2006) cites Nurkse's opinion in the theory of "circle of poverty" saying that poverty occurs because of the existence of backwardness, market imperfection, and lack of capital causing low productivity produced. Furthermore, low productivity results in low income received. This low income will have implications for low savings and investment. And the low investment in the next stage has an impact on backwardness and so on. The Nurkse version of the poverty circle is as follows:

+ Corresponding author. Tel.: +62 (8119998040); Fax: +62 (281643633).
E-mail address: (suharno@unsoed.ac.id).

Vol. 5 No. 1
ISBN: 978-623-7144-28-1

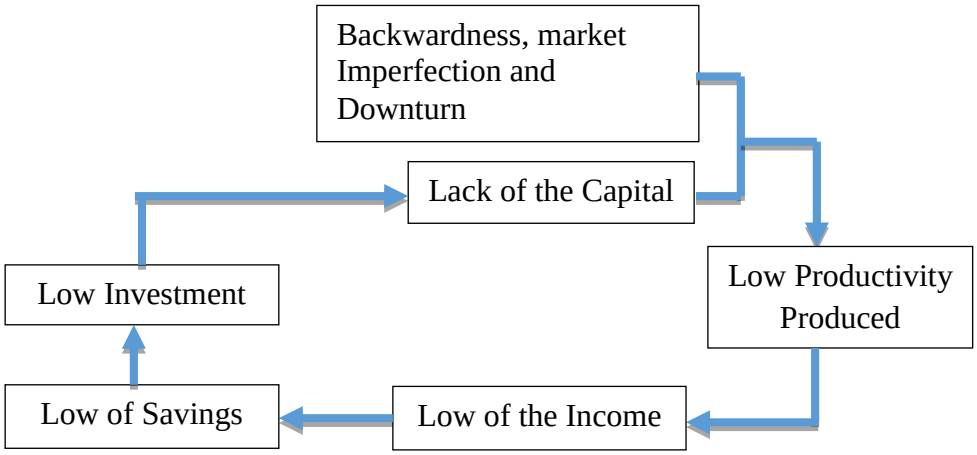

Figure 1. Theory of Circle Poverty
Source: Kuncoro, 2006.

Based on the explanation above, efforts to overcome poverty can be done by breaking one of the links in the cycle of poverty. This can be pursued through labor aspects where humans (labor) play an important role in the management of production factors. The availability of production factors other than humans will not be of value or provide full benefits for welfare if humans as managers do not have good capabilities.

The phenomenon of poverty in Indonesia shows improvement both in terms of the number of poor people or the percentage of poverty each year. This means that poverty levels tend to decline. This is as shown by the following graph:

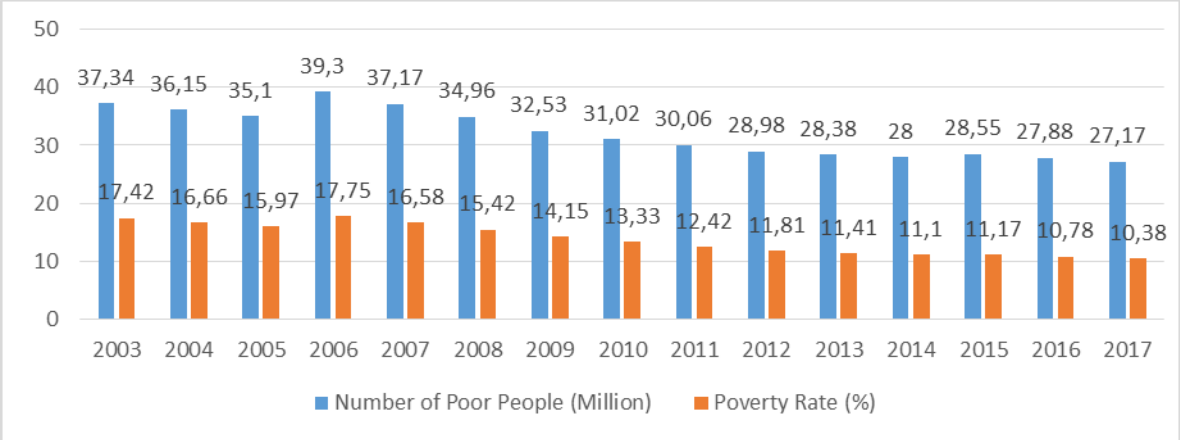

Figure 2. Number of Poor People and Poverty Rate in Indonesia
Source: Central of Bureau Statistic, 2018.

The number of poor people and the percentage of poverty which tends to decrease are followed by urban and rural areas. However, rural areas experience a higher number of poor people and a higher percentage of poverty than urban areas. BPS data in 2017 shows that the number of poor people in urban areas is 10.27 million people with a percentage of poverty of 7.26 percent. Whereas in rural areas, the number of poor people was recorded at 16.21

Vol. 5 No. 1
ISBN: 978-623-7144-28-1

million with a percentage of poverty of 13.47 percent. Other poverty conditions can also be seen from the different islands in Indonesia as follows:

Vol. 5 No. 1
ISBN: 978-623-7144-28-1

Table 1. Number of Poor People and Poverty Rate by Island in Indonesia September 2017

Island	Number of Poor People			Poverty Rate		
	Urban	Rural	Total	Urban	Rural	Total
Sumatera	2,05	3,92	5,97	8,66	11,71	10,44
Java	6,77	7,17	13,94	7,13	13,38	9,38
Bali and Nusa Tenggara	0,58	1,48	2,06	9,38	17,75	14,17
Kalimantan	0,32	0,66	0,98	4,48	7,58	6,18
Sulawesi	0,43	1,68	2,11	5,95	13,88	10,93
Maluku and Papua	0,12	1,40	1,52	5,15	29,07	21,23

Source: Socio-Economy Survey Data, 2017.

Based on Table 1. above, Kalimantan Island is an island with a poor population and the lowest percentage of poverty, both in urban and rural areas. While Java Island has the highest number of poor people in Indonesia, although the percentage of poverty is not the highest.

To overcome the problem of poverty occurring in Indonesia, the government has conducted a study on the aspects of labor that are realized by the opening of opportunities to work both outside the area of origin of the population (urbanization) or abroad. If the population works outside the area but is still included in the country it is classified as an Inter-Regional Inter-Indonesian Workforce (TKI-AKAD). Whereas if the population works abroad it is referred to as the Inter-State Inter-Labor Indonesian Workers (TKI-AKAN).

Urbanization of the population as part of TKI-AKAD is a practice rather than holding the 1945 Constitution Article 27 paragraph (2) which reads "every citizen has the right to work and a decent living for humanity". While the affairs of working abroad are regulated in the Minister of Manpower Regulation No. 22 of 2014 concerning the Implementation of Placement and Protection of Indonesian Migrant Workers Abroad.

Focusing on the phenomenon of poverty in Java, there is an area that contributes to the second largest migrant worker (TKI abroad) in Central Java, namely Wonosobo District. However, the percentage of poverty in this area is the highest in Central Java Province. This phenomenon then attracts more in-depth study to reveal how the influence of TKI-AKAD and TKI-AKAN on poverty, as well as providing solutions for solving poverty problems based on research results.

Some research that has been done shows that sending migrant workers abroad has a negative effect on poverty. But on the other hand, this raises new social problems such as divorce, violence against migrant workers, and capital punishment. This is as expressed by Novianti (2010); Rusdi (2014); Susilo (2016); and Karlina et al (2017). Therefore, the hypothesis proposed is:

H1 : *TKI-AKAN will have a negative and significant effect on poverty*

The research on urbanization in the context of TKI-AKAD was delivered by Sumarto (2013), Febrianto and Syahbana (2016) stating that the increase in the number of people who moved

Vol. 5 No. 1
ISBN: 978-623-7144-28-1

to cities to get jobs had an impact on increasing family welfare in their home areas. From this statement a hypothesis is proposed as follows:

H2 : TKI-AKAD has a negative and significant effect on poverty.

ANALYTICAL METHOD

This study uses a quantitative approach because it is based on data in the form of numbers and processed using statistical methods to test hypotheses. In this study, there are 2 types of variables namely independent variables in the form of TKI-AKAN (X1) and TKI-AKAD (X2) and the dependent variable in the form of poverty (Y). The data sources in this study were derived from the results of BPS publications so that the documentation method was used in data collection. The data used is classified as time series data from 2003 to 2017 in Wonosobo Regency.

The data analysis technique is done by a regression method. In order for the model to be used properly, an assumption test is carried out which includes tests of normality, multicollinearity, heteroscedasticity, and autocorrelation. In addition, statistical tests are also used to measure the ability of the model in explaining the dependent variable in the form of the F test, t-test, and coefficient of determination.

RESULTS AND DISCUSSIONS

Overview of the Poverty and Employment of Wonosobo Regency

Wonosobo Regency is located in Central Java Province. Located about 120 km from Semarang, the capital of Central Java Province. Wonosobo Regency is a mountainous area with altitudes ranging from 275 meters to 2,250 meters above sea level. This situation makes the population of Wonosobo Regency mostly work as farmers (BPS, 2018).

Tabel 2.
The Number of People Aged 15 Years and Over who Worked During The Past Week According to The Main Employment in Wonosobo Regency, 2018.

No.	The Main Employment	Total
1.	Agriculture, Forestry, Hunting and Fisheries	154.416
2.	Processing Industry	48.939
3.	Large Trade, Retail, Restaurants, and Hotels	95.967
4.	Community, Social and Individual Services	48.732
5.	Others	56.479

Sumber: BPS, 2018.

The agricultural sector is the most dominant sector as a business field (main employment) in 2018. This can be seen from its contribution to employment absorption reaching 154,416 people from the working population. After the agricultural sector was then followed by the big trade, retail, restaurants, and hotels sectors as many as 95,967 people.

The state of employment in Wonosobo Regency can also be shown from the working class according to the highest education level which states that the workforce of primary school graduates is the largest or dominating. As shown in the following diagram:

Vol. 5 No. 1
ISBN: 978-623-7144-28-1

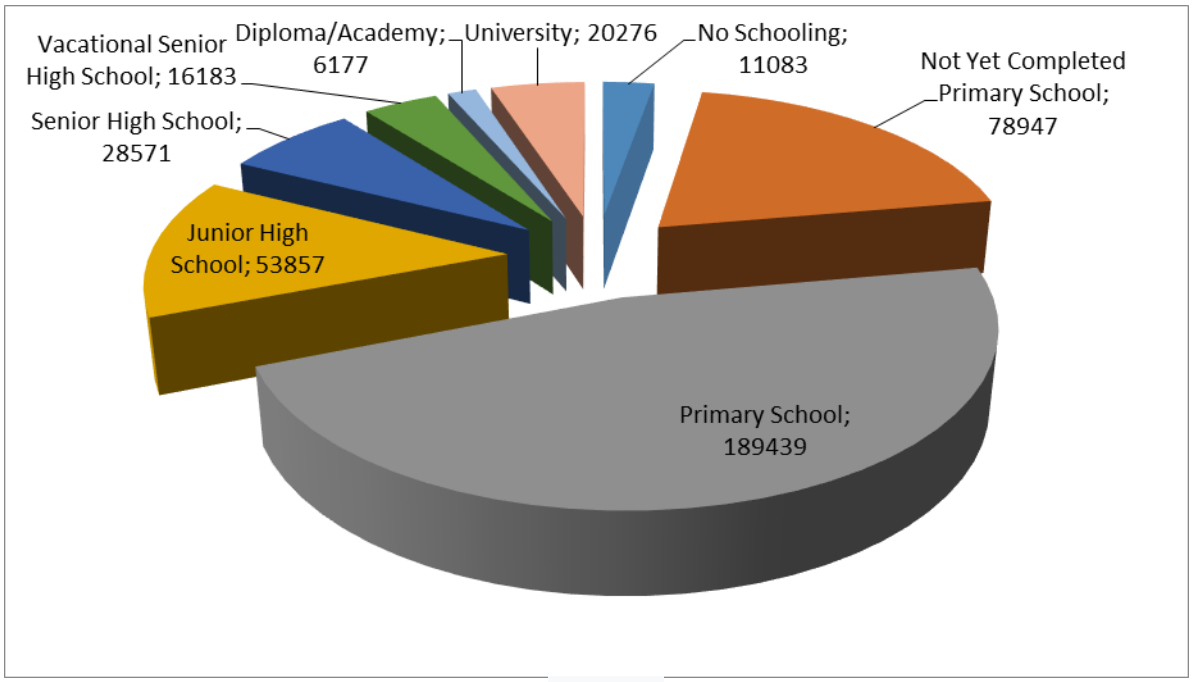

Figure 3.
Number of Work Force Populations Working According to Highest Education Completed in Wonosobo District, 2018.
Source: Central of Bureau Statistic, 2018.

The employment picture above makes many people in Wonosobo Regency do work outside their area to get better income than before (agriculture) and improve the quality of life. It is known that the displacement rate of the population of Wonosobo Regency outside the area can be seen from the following graph:

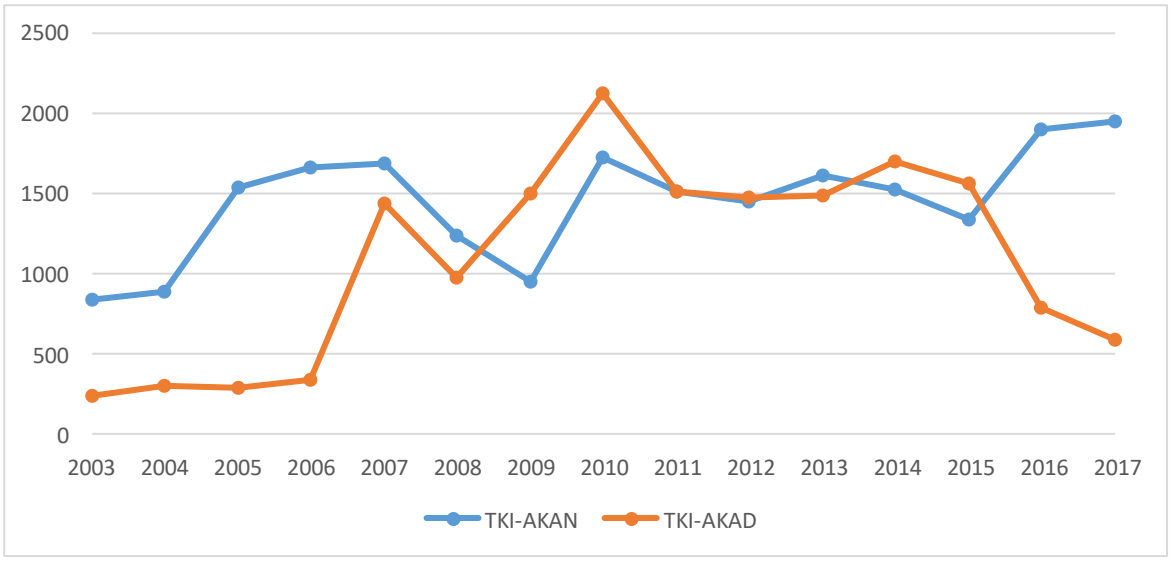

Figure 4. Development of TKI-AKAN and TKI AKAD Wonosobo Regency 2003 – 2017
Source: Central of Bureau Statistic, 2018.

Vol. 5 No. 1
ISBN: 978-623-7144-28-1

The development of the number of people who work outside the area both at home and abroad for the past 15 years has experienced fluctuating development. TKI-AKAN describes the number of people working abroad. Whereas TKI-AKAD describes the number of people working in the country outside the area (Wonosobo Regency). Most TKI will occur in 2017, while TKI-AKAD will occur in 2010. The state of poverty in Wonosobo District which caused the population of the regency to transfer was shown in the following picture:

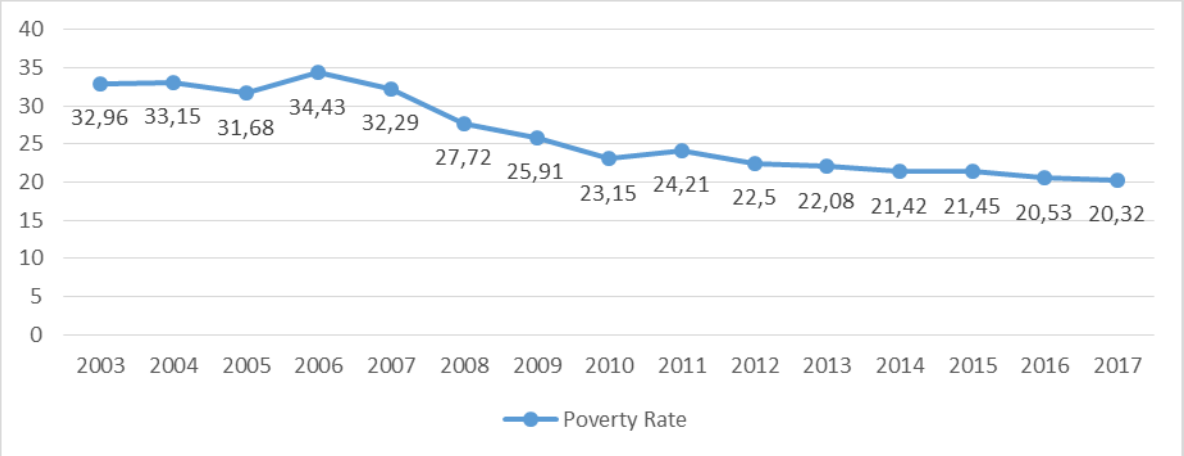

Figure 5. Poverty Rate in Wonosobo Regency, 2003 – 2017.
Source: Central of Bureau Statistic, 2004 – 2018.

The poverty rate in Wonosobo Regency has increased in 2006, 2011 and 2015, and has tended to decline over the past 15 years. Nonetheless, poverty in this area remains the highest in Central Java Province. This situation causes Wonosobo Regency to be included in the red zone of poverty which means experiencing severe poverty and needs to be addressed immediately.

Assumption Test

1. Normality Test

Formal residual normality tests can be detected from a significance level of α so that decisions can be made on normally distributed data if the probability is ≥ α (Widarjono, 2012). The results of the normality test are as follows:

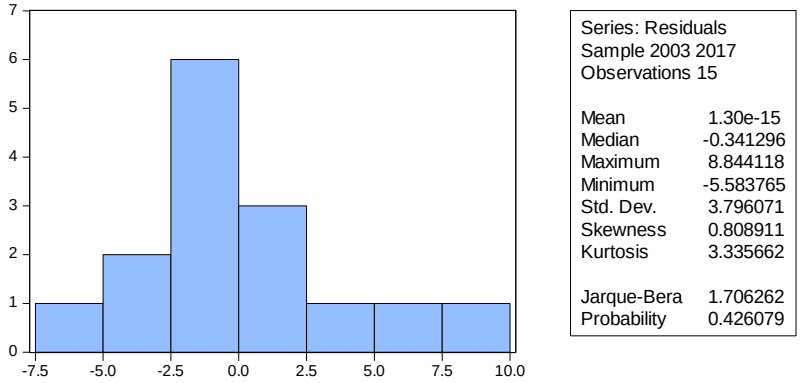

Figure 6. Normality Test

Vol. 5 No. 1
ISBN: 978-623-7144-28-1

The results of the normality test using software Eviews 8 produce a probability value of 0.426 α α, so the data is normally distributed.

2. Multicollinearity Test

Multicollinearity means that there is a linear relationship between the independent variables in the regression model. According to Ghozali (2013), if the correlation matrix has no value> 0.90, multicollinearity does not occur in the model. Multicollinearity test results are as follows:

Table 3.
Multicollinearity Test

	AKAN	AKAD
AKAN	1,000000	0,202933
AKAD	0,202933	1,000000

Source: Output Eviews-Multicollinearity Test, 2019.

The results of the multicollinearity test show that there is no correlation matrix whose value is above 0.90 so that the model is free from the symptoms of multicollinearity.

3. Heteroscedasticity Test

Heteroscedasticity aims to test whether in the regression model there is an inequality of residual variance, one observation to another observation. This test can be known through the White test. If the probability value of Obs * R-Squared> 0.05 then there is no occurrence of heteroscedasticity. White test results as follows:

Table 4.
Uji White

F-Statistic	2,533075	Prob. F (2,12)	0,1209
Obs*R-Squared	4,452806	Prob. Chi-Square (2)	0,1079
Scated Explained SS	3,328081	Prob. Chi-Square (2)	1,1894

Source: Output Eviews-White Test, 2019.

The White test results show that the probability of Obs * R-Squared is 0.1079> 0.05 so the model is free from symptoms of heteroscedasticity.

4. Autocorrelation Test

The autocorrelation test was used to find out whether in the linear regression model there was a correlation between the confounding errors in period t and the disturbing errors in the t-1 period (before). Autocorrelation arises because sequential observations over time are related to each other so this is often found in time series data. Autocorrelation can be detected through the Breusch-Godfrey test which if the Obs * R-Squared probability value is more than 0.05 so autocorrelation does not occur. In this study the autocorrelation test was produced as follows:

Table 5.
Uji Autokorelasi

F-Statistik	0,121391	Prob. F(2,9)	0,8871

Vol. 5 No. 1
ISBN: 978-623-7144-28-1

Obs*R-Squared	0,367740	Prob. Chi-Square	0,8320

Source: Output Eviews-Uji BG, 2019.

The results of the autocorrelation test above state that the probability value of Obs* R-Squared is 0.8320 > 0.05 so there is no autocorrelation.

Vol. 5 No. 1
ISBN: 978-623-7144-28-1

Statistical Test

Tabel 6.
Hasil Uji Regresi Berganda

Variabel	Koefisien	t-Statistik	P. Value
AKAN	-0,005219	-1,314868	0,1323
AKAD	-0,004545	-2,514889	0,0272
R-Squared	0,479059	DW stat	0,713698
Adj R-Squared	0,392235		
F-Statistik	5,517610		

Source: Regression Test by Eviews, 2019.

1. **Coefficient of Determination**

   The coefficient of determination is a number that gives the proportion of total variation in the dependent variable (Y) which is explained by the independent variable (X). A small R ^ 2 value indicates that the independent variable in explaining the variation of the dependent variable is very limited. If the value approaches one means that almost all information needed to predict the dependent variable can be explained by the independent variable.

   In this study, it is known that the value of R ^ 2 is 0.479059 which means that the independent variable TKI-AKAN (X1) and TKI-AKAD (X2) is able to explain the variation of the poverty variable (Y) of 47.9059 percent.

2. **F-Test**

   This test aims to determine the effect of all the independent variables contained in the model together on the dependent variable. If the probability value F statistic is < 5% confidence level, then there is an influence of independent variables together on the dependent variable, and vice versa. F value Statistics in this study amounted to 5.517610 greater than 0.05 so that the variable TKI-AKAN and TKI-AKAD jointly influence poverty.

3. **The t-Test**

   The t-test is used to show how far the influence of one independent variable individually in explaining the variation of the dependent variable. From Table 6. it is known that the TKI-AKAN variable has a negative and no significant effect on poverty. While the variable TKI-AKAN have a negative and significant effect on poverty. This is known from the probability value of more than 0.05 (TKI-AKAN) and less than 0.05 (TKI-AKAD).

Interpretation

In this study, it was produced that the migration carried out by the population in order to get a job and get a better livelihood from the area of origin affected the level of poverty that occurred in the area of origin (Wonosobo Regency). Migration is carried out in the form of moving outside the area of origin which is still included in the territory of the country (Inter-Regional Inter-Regional/ TKI-AKAD) and moving outside the area of origin which is not included in the domestic territory (Inter-State Work/ TKI-AKAN). The two types of migration carried out by residents in Wonosobo Regency make the family situation in the abandoned area more prosperous.

Vol. 5 No. 1
ISBN: 978-623-7144-28-1

Changes that occur with the presence of family members who work outside the area can be seen in the increased consumption of healthy and nutritious food, the better quality of clothing and housing (housing), increased levels of education and health, availability of transportation facilities, and family income for savings and recreation. With the increasing number of criteria above, it shows that there has been an increase in the quality of life, even though this is new in terms of the material. This situation occurs because family income is increasing so that it can be used optimally to meet needs.

Income earned outside the area is reflected in the minimum standard of wages provided. Generally, the wages received will be greater than the area of origin. This is because the regional goals for urbanization are large cities that have high wage standards. Especially if the destination of migration is a number of cities abroad which can certainly have a higher wage rate. In fact, the objectives of the domestic urbanization areas that have been carried out in previous studies were Semarang, Jakarta, Kalimantan, Yogyakarta, Palembang, Bandung, Magelang, Bangka Belitung, Lampung, Surabaya, Tasikmalaya, and Surakarta (Saifuloh, 2018). Whereas the destination countries for TKIs will be Taiwan, Hong Kong, Singapore, Malaysia, Korea, Brunei Darussalam, Japan and Saudi Arabia (BPS, 2018).

In this study, TKI-AKAN has a negative and no significant effect on poverty, while TKI-AKAD has a negative and significant effect on poverty. That is, the coefficient that can be interpreted is TKI-AKAD which is -0.004545. Every increase in 1 percent of the population classified as TKI-AKAD will reduce poverty by 0.004545 percent. For example, in 2017 the number of TKI-AKAD was 589 with a poverty rate of 20.32 percent. If there is a 1 percent increase, it means increasing to 595 residents, then the poverty rate drops to 20.315455 percent. The results of this decision are in accordance with previous studies which stated that the population working outside the area negatively affected poverty.

CONCLUSION AND IMPLICATIONS

Based on the results of the research and analysis that has been done, it can be concluded that the number of people who work as TKI-AKAN has a negative and no significant effect on poverty while TKI-AKAD has a negative and significant effect on poverty. The implication that can be drawn from the results of this study is that the government is not permitted to limit the movement of residents from the area of origin to other regions, especially large cities to earn income or get new jobs. But what needs to be considered later is how so that economic growth does not only revolve in urban areas, and pay attention to how the situation in the city with increasingly complex problems can be minimized properly.

BIBLIOGRAPHY

Badan Pusat Statistik. 2018. *Kabupaten Wonosobo Dalam Angka 2017*. Wonosobo.

Febrianto, Slamet dan Joerson Alie Syahbana. 2016. Urbanisasi dan pengurangan kemiskinan di Eks Karesidenan Pekalongan. *Teknik PWK (Perencanaan Wilayah Kota)*. Vol. 5. No. 1.

Ghozali, Imam. 2017. *Ekonometrika: Teori, Konsep, dan Aplikasi dengan IBM SPSS 24*. Balai Penerbit Universitas Diponegoro Semarang. Semarang.

Vol. 5 No. 1
ISBN: 978-623-7144-28-1

Karlina et al. 2017. Pengaruh Bekerja di Luar Negeri terhadap Tingkat Ekonomi dan Perceraian. *Sosio Didaktika: Social Science Education Journal*. Vol. 4 No. 1.

Kuncoro, Mudrajad. 2006. *Otonomi dan Pembangunan Daerah: Reformasi, Perencanaan, Strategi, dan Peluang*. Erlangga. Jakarta.

Novianti, Kurnia. 2010. Analisis Trend dan Dampak Pengiriman TKI: Kasus Dua Desa di Lombok Timur, Nusa Tenggara Barat. *Jurnal Kependudukan Indonesia*. Vol. 5. No. 1.

Rusdi. 2014. Remitansi TKI dan Dampaknya Terhadap Pengentasan Kemiskinan Daerah Asal di Kabupaten Malang. *Seminar Nasional Riset Inovatif II*. Malang.

Saifuloh, Nur Imam. 2018. Analisis Tingkat Kemiskinan Kaum Urban Berdasarkan Indeks CIBEST di Kecamatan Kepil Kabupaten Wonosobo. *Iqtishodia: Jurnal Ekonomi dan Perbankan Syariah*. Vol. 5. No. 1.

Sumarto, Sudarno et al. 2013. *The SMERU Research Institute*.

Susilo, Singgih. 2016. Beberapa Faktor yang Menentukan TKI Dalam Memilih Negara Tujuan sebagai Tempat Bekerja (Studi di Desa Aryojeding Kabupaten Tulungagung). *Jurnal Pendidikan Geografi: Kajian, Teori, dan Praktik dalam Bidang Pendidikan dan Ilmu Geografi*. Vol. No. 2.