

THE IMPACT OF THE TOURISM SECTOR ON ECONOMIC GROWTH AND LABOR ABSORPTION IN THE PROVINCE OF WEST NUSA TENGGARA

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Abstract

The purpose of this study was to determine the impact of the tourism sector on economic growth and labor absorption in the province of West Nusa Tenggara. This research includes quantitative research. The type of data used is secondary data including data on the number of tourist visits, data on economic growth and data on labor absorption from January 2018 to December 2020. Data collection techniques use documentation techniques. The data analysis test technique used a simple linear regression test. The results of the study can be explained that the tourism sector has a positive impact on economic growth and employment. When the tourism sector increased by 1%, economic growth increased by 0.45% and employment increased by 0.41%.

Keywords: Tourism Sector, Economic Growth, Labor Absorption

Introduction

In the current era of globalization, the tourism sector is the largest and strongest industry in financing the global economy. Tourism is often associated with travel for recreation; travel; tourism; Tourism is an activity of mutual relations between travel and staying non-residents in the context of carrying out leisure time activities or in the context of business and study (Salihin, 2020a). Meanwhile, according to (Yoeti, 2008) tourists are activities of temporary visits (temporary visitors) for at least 24 hours in a visited area, with the aim of making a journey (journey) which can be classified to take advantage of leisure time, such as recreation, vacation, rest, study, , worship, and exercise,

Indonesia itself is one of the countries with the fastest growth in the tourism sector and is the largest economic sector due to the second largest contribution to foreign exchange after the palm oil industry which reached USD 15,965 billion in 2016, while tourism occupied the second place reaching USD 13,568 billion in 2016, while in 2016, in 2015 the tourism sector was in the fourth position that contributed to foreign exchange with an achievement of USD 12,225 billion under Oil and Gas (USD 18,574 Billion), Palm Oil (USD 16,427 Billion), Coal (USD 14,717 Billion) (bps.go.id). This has also made it a leading sector for several reasons, namely: the increasing number of destinations and tourism investment have made it a key factor in creating jobs. Indonesia projects that in 2019 this sector can increase gross domestic product (GDP) by 15 percent, with visits of 20 million foreign tourists, 275 million trips made by domestic tourists, and is expected to be able to absorb up to 13 million workers (Subarkah, 2018).

The progress of the Indonesian tourism sector cannot be separated from the role of the central government and local governments on how to manage and develop the tourism that is owned by each region. There are several areas that have considerable tourism potential, one of which is the region of West Nusa Tenggara Province. The progress of the tourism sector in NTB Province can be seen from the number of foreign and domestic tourist visits that have increased from year to year. In 2014 the number of tourist visits in Lombok reached 1,629,122 million, an increase of 20% compared to 2013 (ntb.bps.go.id). Over the past year the annual growth in tourists has been impressive and appears to be on the right track to reach the target of 2 million tourists in 2015 set by the NTB government. The island is dominated by the domestic market, which accounts for nearly 60% of visits. The majority of domestic tourists come from Jakarta, Bandung, Yogyakarta and Surabaya as well as from Makassar and Bali. The rest are tourists from the ASEAN region, namely Australian and Malaysian tourists and other foreign markets. . Then in 2016 the number of tourists reached 3.1 million visitors. Then in 2017 there were 3.8 million visitors and in

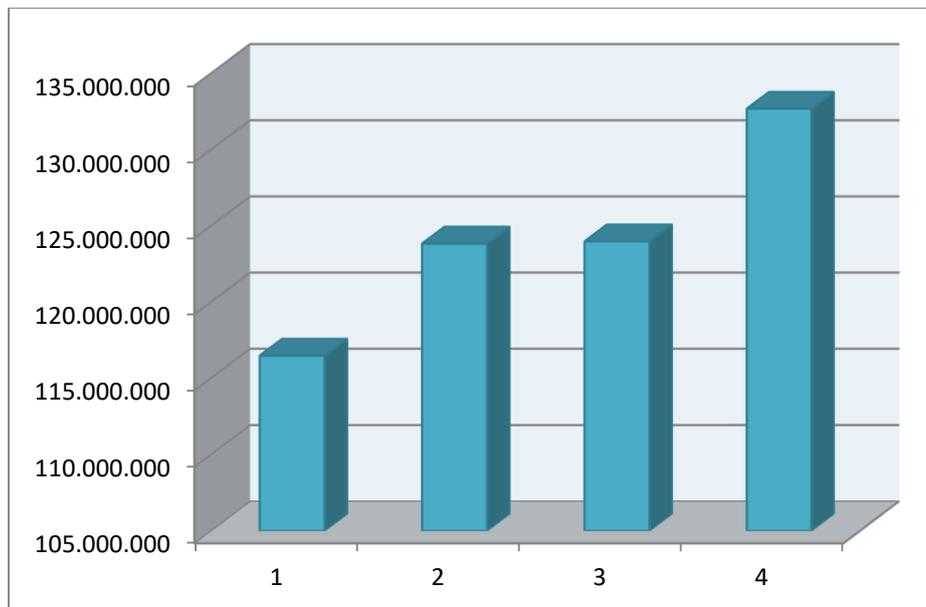
Agus Salihin

The Impact Of The Tourism Sector On Economic Growth And Labor Absorption In The Province Of West Nusa Tenggara

2018 the visits reached 4 million tourists, then in 2019 the visits reached 3.7 million tourists and in 2020 it reached 2.8 million tourists (ntb.bps.go.id).

Based on the number of tourist visits above, it certainly has an impact on the economy. (Hermawan, 2016) explains that tourism is a solution to support the economy and is proven to be able to increase state income. On the other hand (Hamzah et al., 2018) said the tourism sector has proven to have a significant positive impact on economic development such as; creating jobs, creating new business opportunities and being able to increase regional income. The same thing was conveyed by (Rahmi, 2020) that the tourism sector has an important role in the world economic sector, where the tourism sector is considered a contributor to employment and economic growth in any country and is also considered an important instrument for increasing gross domestic product. In previous studies such as (Subarkah, 2018) also revealed that with the positive development of the tourism sector, it will be able to increase tourist visits and investment can be used to improve the regional economy. Then research by (Wardhana et al., 2019), the tourism sector has a positive and significant impact on economic growth in ASEAN countries. Furthermore, research (Yakup, 2019) and (Rahmi, 2020) states that tourism has a positive effect on economic growth.

As is the case with the economic growth of NTB, from the last 4 years it has increased quite significantly. As for the statistical data on economic growth in NTB, it can be seen in graph 1.1 below:



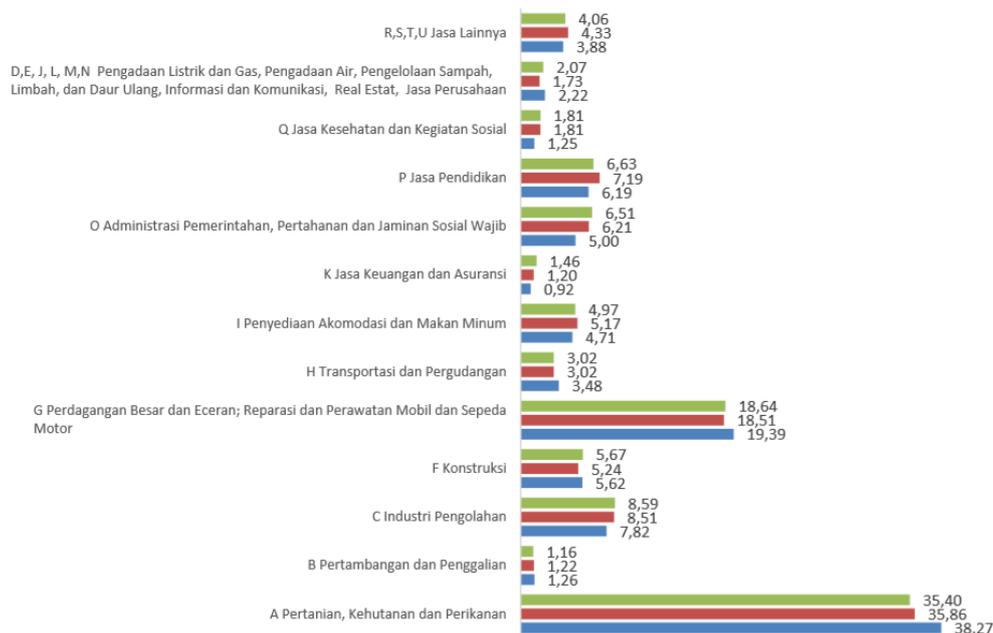
Source: *ntb.bps.go.id processed data*

Figure 1. NTB Economic Growth 2016-2019

Based on figure 1 of NTB's economic growth above, it can be seen that from 2016-2019 it has increased quite significantly. In 2016 it reached Rp. 116,464,762, then in 2017 it reached Rp. 123,822,764, then in 2018 it reached Rp. 123,965,938, and finally in 2019 it reached Rp. 132,674,150 (ntb.bps.go.id). Based on historical data, the GRDP has increased due to the growing economic activities of NTB and is supported by economic activities in the tourism industry (Salihin, 2020b).

Apart from improving the economy, the tourism sector also has an important role in reducing the number of unemployed people and the productivity of a country (Jaffe & Pasternak, 2004). (Samimi, 2011) states that the tourism sector is able to create jobs. Based on World Travel and Tourism (2015), the contribution of tourism to the workforce in 2014 reached 3,326,000 workers, in 2015 it increased by 1.4% to 3,905,000 workers. Then it is estimated that in 2025 it will increase to 2.9% of the total workforce in Indonesia.

In 2020 the number of NTB's workforce was 2,491.25 thousand people, an increase of about 1.86 thousand compared to 2019. The statistical data on the percentage of the population working according to the main job fields from 2018 to February 2020 can be found in graph 1.2 below. :



Source: ntb.bps.go.id processed data

Figure 2. Percentage of the Working Population by Main Employment NTB Province, 2018 - February 2020

Agus Salihin

The Impact Of The Tourism Sector On Economic Growth And Labor Absorption In The Province Of West Nusa Tenggara

Based on figure 2 above, it can be seen that the structure of employment in February 2020 in NTB is still dominated by three main employment fields, namely Agriculture, Forestry and Fisheries, Trade, and Processing Industry. Employment conditions, both concerning the unemployment rate and the working population, cannot be separated from the performance of existing economic sectors. The number of people working in each sector shows the ability of that sector to absorb labor. Based on the main employment fields in February 2020, the largest number of NTB residents work in the Agricultural Sector, namely around 854.29 thousand people (35.40 percent), followed by the Trade and Processing Industry Sectors each with 449.73 thousand people (18.64. percent) and 207.17 thousand people (8.59 percent). (ntb.bps.go.id).

The tourism sector is included in the category of providing food and beverage accommodation and the processing industry. The provision of food and drink accommodation was able to absorb 4.97 percent of the workforce in 2018, and in 2019 as much as 5.17 percent, then in 2020 it was able to absorb 4.71 percent. Furthermore, the processing industry was able to absorb as much as 8.57 percent in 2018, and in 2019 as much as 8.51 percent then in 2020 as much as 7.82 percent. Based on the above background, the purpose of this study is to determine the impact of the tourism sector on economic growth and labor absorption in the province of West Nusa Tenggara.

Methods

This research is a quantitative research by describing the numbers found in the research results. The type of data used is secondary data obtained from the website ntb.bps.go.id and bps.go.id, and the NTB tourism office. The data taken is in the form of monthly data starting from January 2018 to December 2020, these data include the number of tourist visits, data on economic growth and data on labor absorption. The data collection technique uses documentation techniques, namely taking data in accordance with the variables studied, including the variable number of tourist visits as the independent variable and the variable of economic growth and employment as the dependent variable. The data analysis technique uses simple linear regression test. as a method of approach to modeling the relationship between the independent variable and the dependent variable and the variable relationship is linear, where changes in the independent variable are always followed by the dependent variable on a regular basis. Conversely, if the variable relationship is not linear, then the change in the independent variable is not followed by the dependent variable (Mulya, 2016). The simple linear regression analysis model is:

$$Y = \beta_0 + \beta X + e$$

Y = Dependent Variable
 β_0 = Constant
 X = Independent Variable
 e = Residual or Error

Results And Discussion

1. The Impact of the Tourism Sector on Economic Growth in NTB

Table 1. Analysis Results

Dependent Variable: PDRB
 Method: Least Squares
 Date: 01/08/21 Time: 16:39
 Sample: 1 36
 Included observations: 36

Variable	Coefficient	Std. Error	t-Statistic	Prob.
C	11.95596	1.958776	6.103794	0.0000
JKW	0.438532	0.157248	2.788791	0.0086
R-squared	0.186162	Mean dependent var		17.38889
Adjusted R-squared	0.162226	S.D. dependent var		1.336900
S.E. of regression	1.223665	Akaike info criterion		3.295530
Sum squared resid	50.91009	Schwarz criterion		3.383504
Log likelihood	-57.31955	Hannan-Quinn criter.		3.326235
F-statistic	7.777353	Durbin-Watson stat		1.117857
Prob(F-statistic)	0.008604			

Source: Eviews of processed data

Based on the results of the analysis in table 1 above, it can be seen that the constant value is 0.000, which means $0.000 < 0.05$. Then the t value is 2.788791 while the t table is 2.042 which means $2.788 > 2.042$. So it can be concluded that the tourism sector has a positive impact on economic growth. If the tourism sector increases by 1%, then economic growth will increase by 0.45%. Then the result of the R-square value (R²) is 0.186162. These results indicate that the independent variable is able to explain the dependent variable by 18% and the remaining 82% is influenced by variables from outside the study.

Based on the research results above, it can be explained that the tourism sector has a positive influence on economic growth. These results can indicate that the number of tourist visits in NTB from year to year has increased significantly, meaning that the higher the number of tourist visits will have an impact on increasing regional foreign exchange, because each tourist will spend money to buy tourist needs, such as buying tour packages, travel costs. travel and hotel fees for overnight stays. Thus it can be concluded that the tourism sector has a

positive impact on economic growth because it will create demand for both consumption and investment and in the end it will lead to the production of goods and services.

(Subarkah, 2018) revealed that, with the positive development of the tourism sector, it will be able to increase tourist visits and investment can be used to improve the regional economy. The results of this study are in line with research (Wardhana et al., 2019), the tourism sector has a positive and significant impact on economic growth in ASEAN countries. Furthermore, research (Yakup, 2019), and (Rahmi, 2020) states that tourism has a positive effect on economic growth.

2. The Impact of the Tourism Sector on Labor Absorption

Table 2. analysis results

Dependent Variable: TK				
Method: Least Squares				
Date: 01/08/21 Time: 16:53				
Sample: 1 36				
Included observations: 36				
Variable	Coefficient	Std. Error	t-Statistic	Prob.
C	11.95891	1.921398	6.224066	0.0000
JKW	0.413275	0.145417	2.841996	0.0075
R-squared	0.191957	Mean dependent var		17.38889
Adjusted R-squared	0.168191	S.D. dependent var		1.336900
S.E. of regression	1.219301	Akaike info criterion		3.288385
Sum squared resid	50.54761	Schwarz criterion		3.376358
Log likelihood	-57.19093	Hannan-Quinn criter.		3.319090
F-statistic	8.076943	Durbin-Watson stat		1.148727
Prob(F-statistic)	0.007526			

Source: Eviews of processed data

Based on the results of the analysis in table 2 above, it can be seen that the constant value of 0.000 means $0.000 < 0.05$. Then the t value is 2.78419961 while the t table is 2.042 meaning $2.841 > 2.042$. So it can be concluded that the tourism sector has a positive impact on employment. If the tourism sector increases by 1%, employment will increase by 0.41%. Then the result of the R-square value (R²) is 0.191957. These results indicate that the independent variable, including the tourism sector, is able to explain the dependent variable, including employment by 19% and the remaining 81% is influenced by variables from outside the study.

Based on the results of the above research, it can be explained that the tourism sector has a positive influence on labor absorption. These results can indicate that the NTB tourism industry is a fairly large industry, this is marked by several global and national achievements

that have been obtained since 2015-2020, especially in the halal tourism industry, so that with the development of the tourism industry it is able to absorb labor, increase income and the economy.

Thus it can be said that the development of the tourism industry is very important to be developed so that it will trigger tourist arrivals. The increase in tourist visits will have a positive impact because more accommodation facilities will be needed, such as hotels, travel boards, tourism infrastructure and other tour packages. So it can be said that if the demand for tourists for tour packages, hotels and travel agents increases, the number of workers will also increase to serve the tourists who use these services. The results of this study are in line with research (Hamzah et al., 2018) that the development of the tourist destination of the brobudur temple has a positive social impact such as better education levels, the formation of jobs and increased business opportunities. In addition, research by (Astina et al., 2013) and (Adli et al., 2019) states that the tourism sector has a significant positive effect on labor absorption.

Conclusion

Based on the results of the above research on the impact of the tourism sector on economic growth and employment in West Nusa Tenggara Province, it can be concluded that the tourism sector has a positive impact on economic growth and employment, if tourism growth increases by 1%, economic growth will also increase by 1%. 0.45% and employment grew by 0.41%. As for the value of R-square (R²), the tourism sector is able to explain the economic growth of 18% and employment of 19%.

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Agus Salihin

The Impact Of The Tourism Sector On Economic Growth And Labor Absorption In The Province Of West Nusa Tenggara

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