

Efforts To Increase Economic Growth By Reducing The Poverty Rate of West Sumatra Province

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ABSTRACT

The Indonesian government realizes that national development is an effort to achieve the goal of a just and prosperous society. Poverty is a complex problem, so it is hoped that the government can eradicate poverty in Indonesia. One effort to improve economic performance is by carrying out national development to be able to create jobs and organize a decent life to realize the welfare of the Indonesian population. The type of research used is qualitative research. This research method is non-doctrinal (normative empirical) legal research, namely research that examines field theories that are developed not based on doctrine, but laws that live and develop and apply in society. The type of research in this research is also called empirical juridical research, which in other words is a type of sociological legal research and can also be called field research, namely studying applicable legal provisions and what happens in reality in society. The results of the research are that an ever-growing population demands continuous economic development. All of this requires more investment. For developing countries, rapid population growth is an obstacle to economic development, because these countries have little capital. Other researchers state that population growth and labor force growth (which occurs several years after population growth) are traditionally considered the factors that increase economic growth

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1. Introduction

Poverty is a complex problem, so it is hoped that the government can eradicate poverty in Indonesia. One effort to improve economic performance is by carrying out national development to be able to create jobs and organize a decent life to realize the welfare of the Indonesian population. The Indonesian government realizes that national development is one of the efforts to achieve the goals of a just and prosperous society (Škare & Družeta, 2016). In line with this goal, various development activities have been directed toward regional development, in relatively

underdeveloped areas. Regional development is carried out in an integrated and sustainable manner according to the priorities and needs of each region with national development goals and targets that have been determined through long-term and short-term development. In reducing the number of poor people, the main thing that must be done for growth is to choose a development strategy or instrument. It means that one of the main criteria for selecting the focus sector or mainstay sector for national development is effectiveness in reducing the number of impoverished people (Baban Sobandi, 2006). Poverty is a problem faced by all countries in the world. Poverty is considered an inability to meet minimum living standards. In Law No. 24 of 2004, poverty is defined as the socio-economic condition of a person or people whose basic rights are not fulfilled to maintain and develop a dignified life. Meanwhile, according to BPS (2021), poverty is an economic inability to meet basic food and non-food needs as measured from the expenditure side (Amar & Pratama, 2020). Various development programs and activities have been directed primarily at regional development, especially in areas that have high levels of poverty. Regional development must of course be carried out in an integrated and sustainable manner according to the priority needs of each region. National development targets have been set through long-term and short-term development. One of the major indicators of the success of national development is the rate of reduction in the number of poor people (Endrayani, 2016).

West Sumatra Province is one of the provinces on the island of Sumatra which has various superior sectors, such as agriculture, plantations, trade, fisheries, tourism, and others. West Sumatra Province is one of the provinces that has a fairly high poverty rate in Indonesia. Based on data from the Central Statistics Agency from 2016 to 2020, the development of poverty in West Sumatra Province has shown the success of government programs in reducing the number of destitute people which is proven by the reduction in poverty levels in West Sumatra Province (Chirtoc & Medar, 2019). Efforts to eradicate poverty are carried out to realize the nation's ideals, namely the creation of a just and prosperous society. Poverty is a problem that is the center of attention in any country. Poverty is caused by various factors, namely investment levels that are still below standard, slow economic growth, and government spending that has not been effectively absorbed into productive programs in the context of poverty alleviation. The gap between rich and poor communities in Indonesia is widening due to high disparities between regions due to unequal distribution of income which is one of the roots of poverty in Indonesia (Seran, 2017).

Indonesia is a developing country that still has a fairly high percentage of poor people. The Central Statistics Agency (CSA) stated that in March 2020, the number of poor people with monthly per capita expenditure was below the Poverty Line of the Indonesian population. Poverty is a complex problem, so it is hoped that the government can eradicate poverty in Indonesia. One of the efforts to increase economic performance is by carrying out national development to create jobs and organize a decent life to realize the welfare of the Indonesian population. The Indonesian government realizes that national development is one of the efforts to achieve the goal of a just and prosperous society. In line with this goal, various growth activities have been directed toward regional development, in relatively underdeveloped areas. Regional development is carried out in an integrated and sustainable manner according to the priorities and needs of each region with national development goals and targets that have been determined through long-term and short-term development. In reducing the number of poor people, the main thing that must be done for growth is to choose a development strategy or instrument. This means that one of the major criteria for selecting the focus sector or mainstay sector for national development is effectiveness in reducing the number of poor people. Poverty is a problem faced by all countries in the world. Poverty is considered the inability to meet a minimum standard of living (Ikejiaku, 2009).

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measured from the expenditure side. Various development programs and activities have been directed primarily at regional development, especially in areas that have high levels of poverty. Regional development must of course be carried out in an integrated and sustainable manner according to the priority needs of each region. National development targets have been set through long-term and short-term development. One of the main indicators of the success of national development is the rate of reduction in the number of impoverished people (Hoggat, 2015).

West Sumatra Province is one of the provinces on the island of Sumatra which has various superior sectors, such as agriculture, plantations, trade, fisheries, tourism, and others. West Sumatra Province is one of the provinces that has a fairly high poverty rate in Indonesia. Based on data from the Central Statistics Agency from 2016 to 2020, the development of poverty in West Sumatra Province has shown the success of government programs in reducing the number of poor people. This is proven by the reduction in poverty levels in West Sumatra Province. According to BPS data in 2021, in West Sumatra Province there are still 11 (eleven) districts that have poverty levels above the provincial average (above 5.92%), namely Kab. Mentawai Islands, Kab. Pesisir Selatan, Kab. Solok, Kab. Sijunjung, Kab. Padang Pariaman, Kab. Agam, Kab. Fifty Cities, District. Pasaman, Kab. South Solok, Kab. Dharmasraya and Kab. West Pasaman, but all cities (7 cities) and 1 district have poverty levels below the province, namely Padang City, Solok City, Sawahlunto City, Padang Panjang City, Bukittinggi City, Payakumbuh City, Pariaman City, and Kab. Tanah Datar. The Governor of West Sumatra (Sumbar) and the Person in Charge of the West Sumatra Province Poverty Alleviation Coordination Team (TKPK) said that the poverty rate in West Sumatra is in the sixth lowest position nationally or the second lowest in Sumatra, but the target is to eradicate extreme poverty to zero percent by 2018. 2030 by the SDGs or 2024 by the National Medium Term Development Plan (RPJMN 2019 - 2024) is a priority for the West Sumatra Provincial Government.

Kuznets defines economic growth as a long-term increase in a country's ability to provide more and more types of economic goods to its population; these capabilities grow in line with technological advances and institutional and ideological adjustments. This definition has three components: First, a nation's economic growth can be seen from the continuous increase in the supply of goods. Second, technological progress is a factor in economic growth that determines the degree of growth, and the ability to provide various goods to the population. Third, the widespread and efficient use of technology requires adjustments in the institutional and ideological fields, so that the innovations produced can be utilized appropriately. Economic growth can be interpreted as the process of increasing the production capacity of an economy which is realized in the form of an increase in national income. The process of increasing production capacity in an economy occurs gradually and requires driving factors such as capital, human resources, and technology, as stated by Kuznet (Jhingan, 2014) that defined economic growth as a long-term increase in a country's ability to provide more and more types of economic goods to its population. This capability grows in line with technological advances and adapts to institutional and ideological requirements.

As a form of poverty alleviation at the macro level, the sector that is used as an engine of growth should be shifted from a sector that has low labor absorption elasticity (for example, financial institutions, telecommunications, hotels, and restaurants) to a sector that has high labor absorption elasticity (for example, the agricultural, mining, processing industry and trading). Through efforts like this, it is hoped that employment opportunities can be increased and unemployment rates can be reduced so that in turn poverty rates can be reduced. Meanwhile, at the micro level, the form of poverty alleviation should be to implement government programs that can reduce the burden on the poor in the short term, for example, programs that increase the accessibility of education and health services so that in the short term, the cost burden on the poor decreases and the long-term impact is increased productivity for destitute people so that the quality and capacity of poor people's human resources increases (Endrayani, 2016).

An ever-growing population demands continuous economic growth. All of this requires more investment. For developing countries, rapid population growth is an obstacle to economic development, because these countries have little capital. Other researchers state that population growth and labor force growth (which occurs several years after population growth) are traditionally considered the factors that increase economic growth. A larger workforce means increasing the number of productive forces, while greater population growth means increasing the size of the domestic market. In other words, the more labor force used in the production process, the production output will increase to a certain extent (Jhingan, 2014). Consumption is the activity of using goods and services to meet daily needs. Consumption can indicate a person's level of social welfare because, with high consumption, someone can raise his or her social status. Based on BPS, there are several areas where Indonesian people's consumption is declining. However, this does not deny that consumption in other fields has increased. Most people are still trying to increase consumption to follow their lifestyles, such as their clothing style, gadgets, and prestige. Consumption shows a person's level of well-being. The higher the level of consumption, the more prosperous a society will be so that the poverty level can decrease. However, what happened was that not all consumption levels increased due to a decrease in poverty levels (Seran, 2017).

2. Materials and Methods

The type of research used is qualitative research. This research method is non-doctrinal (normative empirical) legal research, namely research that examines field theories that are developed not based on doctrine but the laws that lived, developed, and applied in society. The type of research in this research is also called empirical juridical research which is a type of sociological legal research and can also be called field research, namely studying applicable legal provisions and what happens in reality in society. (Moleong, 2021). The type of data used in this research is primary data obtained from observations and interviews from several sources, namely Economic Actors of West Sumatra Province and Stakeholders of West Sumatra Province. As well as secondary data obtained from literature in the form of books, journals, and previous research. Qualitative data analysis is carried out if the empirical data obtained is in the form of a collection of words and not a series of numbers and cannot be arranged into categories. Data can be collected in various ways (interview observations, document instances, and recording tapes). It is usually processed first before being used in qualitative research, including the results of interview transcripts, data reduction, analysis, data interpretation, and triangulation. (Syaiful, 2018)

3. Result and Discussion

Efforts to Increase Economic Growth by Emphasizing Poverty Rates in West Sumatra Province

As a form of poverty alleviation at the macro level, the sector that is used as an engine of growth must be shifted from a sector that has low labor absorption elasticity (for example, financial institutions, telecommunications, hotels, and restaurants) to a sector that has high labor absorption elasticity (for example, the agricultural, mining, processing industry and trade). Through efforts like this, it is hoped that employment opportunities can be increased and unemployment rates can be reduced so that in turn poverty rates can be reduced. Meanwhile, at the micro level, the form of poverty alleviation should be to implement government programs that can reduce the burden on the inadequate in the short term, for example, programs that increase the accessibility of education and health services so that the cost burden on the poor decreases. The long-term impact is increased productivity of poor people so that the quality and capacity of poor people's human resources increases. (Keban, 2000).

Human development in essence is expanding choices for society with the ultimate goal of achieving the welfare of each member of society human development in this case also includes

various other aspects, apart from the economic aspect there are also social, political, cultural, and other aspects to make humans more productive. Thus, the human development paradigm includes two sides, namely in the form of information on human capabilities such as improving the level of health, education, and skills. The other side is the utilization of their capabilities for productive, cultural, social, and political activities. Human development can be seen from the Human Development Index (HDI). The Human Development Index is an alternative measurement of development other than using Gross Domestic Product. The HDI value of a country or region shows how far the country or region has achieved the specified targets, namely life expectancy, basic education for all levels of society (without exception), and levels of expenditure and consumption that have reached a decent standard of living. Level of education and The health of individual residents is a dominant factor that needs to be given top priority in improving the quality of human resources (Mutohir, 2007). A high level of education and health of the population determines the ability to absorb and manage sources of economic growth both technology and institutions which are important to improve the level of welfare of the population itself, all of which leads to advanced economic activity.

When a new development process begins in a developing country, existing development opportunities and possibilities are of course utilized by regions whose development conditions are already better. Meanwhile, areas that are still very underdeveloped are unable to implement this opportunity due to limited facilities and infrastructure and the low quality of human resources. This obstacle is not only caused by economic factors but also social and cultural factors so as a result, development inequality between regions tends to increase because economic growth tends to be faster in regions due to better conditions. Meanwhile, in underdeveloped areas, not much progress has been made. Early in the development process, inequality in income distribution rose as a result of urbanization and industrialization processes; At the end of the development process, inequality decreases, namely when the industrial sector in urban areas can absorb most of the workforce coming from rural areas (agricultural sector) or when the share of agriculture is smaller in production and income creation. In the initial growth stage, it will focus on the modern industrial sector

Implementation of Increasing Economic Growth by Reducing Poverty Rates in West Sumatra Province

Rapid population growth causes various adverse economic consequences and this is a major problem that must be faced by Third World countries. They then said that the rate of population growth that is too fast encourages the emergence of various kinds of economic, social, and psychological problems which are the underlying conditions of underdevelopment that ensnare developing countries. Population growth also hinders the prospects of achieving a better life because it reduces household and state savings. In addition, a population that is too large will drain government coffers which are already very limited to provide various health, economic, and social services for the new generation. This soaring financing burden on the government budget will reduce the possibility and ability of the government to improve the standard of living of generations and encourage the transfer of poverty to future generations from lower-middle-income families. (Kuncoro, 2006).

The central and regional government's efforts to eradicate poverty are very serious as one of the priority programs of the West Sumatra provincial government. The policies and programs implemented have not shown optimal results because there are still gaps between plans and poverty alleviation programs which are more sectorally oriented. Therefore, an integrated, integrated, and synergistic poverty alleviation strategy is needed so that it can solve the problem completely. Poverty is a fundamental national problem and requires systematic, integrated, and comprehensive handling steps and approaches to reduce the burden and fulfill the basic rights of citizens appropriately to live and develop a dignified life, as stated in the Presidential Decree (PERPRES) Number 96 of 2015

Amendment to Presidential Decree Number 15 of 2010 concerning the Acceleration of Poverty Reduction (Estrada, 2019).

In line with this goal, various development activities have been directed toward regional development, in relatively underdeveloped areas. Regional development is carried out in an integrated and sustainable manner according to the priorities and needs of each region with national development goals and targets that have been determined through long-term and short-term development. In reducing the number of poor people, the main thing that must be done for growth is to choose a development strategy or instrument. This means that one of the main criteria for selecting the focus sector or mainstay sector for national development is effectiveness in reducing the number of destitute people (Baban Sobandi, 2006). Poverty is a problem faced by all countries in the world. Poverty is considered an inability to meet minimum living standards. In Law No. 24 of 2004, poverty is defined as the socio-economic condition of a person or group of people whose basic rights are not fulfilled to maintain and develop a dignified life.

4. Conclusion

An ever-growing population demands continuous economic development. All of this requires more investment. For developing countries, rapid population growth is an obstacle to economic development, because these countries have little capital. Other researchers state that population growth and labor force growth (which occurs several years after population growth) are traditionally considered the factors that increase economic growth.

Household consumption expenditure will increase sufficient purchasing power so that the level of poverty is influenced by the level of household consumption.

As a form of poverty alleviation at the macro level, the sector that is used as an engine of growth must be shifted from a sector that has low labor absorption elasticity (for example, the financial institutions, telecommunications, hotels, and restaurants sector) to a sector that has high labor absorption elasticity. high (for example, the agricultural, mining, processing industry, and trade sectors).

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