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Factors Affecting Community Economic Welfare In Tongko Village, Baroko District, Enrekang Regency

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Article Info

Income end Education .

Abstract

This study aims to analyze the effect of gross income on the welfare of the community in Tongko Village, Baroko District, Enrekang Regency. The type of research used in this research is case study research with a quantitative descriptive approach. The processed data is a summary of the value of income and education to the value of community welfare obtained from the annual report (Annual Report) of the Tongko village office. The calculation technique used in research is to calculate the multiple linear regression . Research results show that income and education variables have a positive and significant impact on the economic welfare of the community in Tongko Village, Baroko District, Enrekang Regency.

1. INTRODUCTION

Development has several objectives, firstly to increase everyone's standard of living (level of living), both income, level of consumption of food, clothing, shelter, health services, and education. Second, the creation of various conditions that allow the growth of *self-esteem* for everyone through the establishment of social, political and economic systems and institutions that promote human dignity and respect. Third, increasing everyone's *freedom/democracy* in choosing various existing choice variables. For this reason, development is expected to be able to, firstly, create equity and justice (no development disparities, both between regions, between sub-regions, and between members of the community). Second, empowering communities and alleviating poverty. Third, create and increase employment opportunities. Fourth, increase the income and welfare of local communities. Fifth, maintaining or preserving natural resources so that they are beneficial to present and future (sustainable) generations. For this reason, development must cover all fields as a whole. (Todaro, 2006).

Development is expected to be able to increase the level of economic growth which in turn is expected to improve people's welfare. Economic growth is a condition in which the economy in a country carries out a process to achieve an increase in the country's income. Economic growth has strengthened social integrity and solidarity, and expanded people's capabilities and access to health, education, housing and social protection services. In the last 30-40 years there has been an increase in human living standards, such as life expectancy getting longer, maternal and infant mortality decreasing, literacy skills and school enrollment rates also getting better. However, in many developing countries, the problems of globalization and the free market economy have widened inequality, caused environmental damage, eroded local culture and language, and exacerbated poverty (Pratowo, 2001).

The human development index is used to measure the magnitude of the impact arising from efforts to increase basic human capital capabilities. Human development is a component of development through the empowerment of the population which focuses on improving the basic human development which is calculated using the size of the education, health and purchasing power numbers. The higher the number obtained, the more the goals of development are achieved. Development is a process to make changes for the better (Nur Baeti, 2013).

The success of human development can be judged by how big the problems that can be overcome, especially the most basic problems. The problems that exist include problems of poverty, unemployment, education that is not comprehensive and problems of successful human development from other economic aspects. The achievement of development goals as reflected in the human development index is highly dependent on the government as a provider of supporting facilities (Marisca and Haryadi, 2016).

To reduce social inequalities due to the level of welfare the government recently also launched regional expansion, which is a development of regional autonomy, with the aim that the people in the area can prosper.

The increasing number of population is a big problem for countries in the world, especially developing countries including Indonesia. Indonesia is a country with the 4th largest population in the world after China, India and the United States.

The level of income is the stage of education that is determined based on the level of development of students, the goals to be achieved and the will to be developed. The level of education influences changes in attitudes and healthy living behavior. A higher level of education will make it easier for a person or community to absorb information and implement it in daily behavior and lifestyle, especially in terms of health (Suhardjo, 2007).

The size of the income can have an influence on meeting the basic needs of the family. low levels of income will make it difficult to fulfill basic needs. This causes family welfare to be unfulfilled. Therefore it is necessary to have the role of the relevant government in helping to meet the basic needs and welfare of the community.

Apart from that, to improve the welfare of the community, the government also launched a 9-year compulsory education program, with the 9-year compulsory education, it is hoped that the mindset of the Indonesian people will develop, at this time the government is also holding a BOS program (school operational assistance), BOS is expected to no longer exist in the community. those who drop out of school due to problems with educational costs, the government also holds a package chase program, this program is usually followed by fathers or mothers who drop out of school, this program consists of the package A program (equivalent to elementary school), package B program (equivalent to junior high school) , program package C (equivalent to high school).

Prosperous life is the dream of every human being, a prosperous society will not be realized if the people live in poverty. Therefore, poverty must be eliminated because it is a form of inequality that describes a condition that is lacking in fulfilling economic needs.

Therefore it is not surprising that various kinds of efforts are carried out by the community in an effort to prosper the family economy by creating new business opportunities.

Seeing these conditions, the author took the title "Factors Influencing the Economic Welfare of the Community in Tongko Village, Baroko District, Enrekang Regency."

2. LITERATURE REVIEWS

2.1 Definition of Welfare

According to article 1 of the Law of the Republic of Indonesia Number 11 of 2009 concerning social welfare, it is a condition of fulfilling the material, spiritual and social needs of citizens so that they can live properly and be able to develop themselves, so that they can carry out their social functions. This understanding shows that real prosperity is not only about material adequacy, but also the fulfillment of one's spiritual and social elements.

Welfare theory in general can be classified into three types, namely *Classical Utilitarian, Neoclassical Welfare Theory* and *New Contractatian Approach* . The *Classical Utilitarian approach* emphasizes that one's pleasure or satisfaction can be measured and increased. The principle for individuals is to

increase as much as possible the level of their welfare, while for society, increasing the welfare of their groups is a principle that is held in their lives. Neoclassical Welfare Theory Approach explains that the welfare function is a function of all individual satisfaction. Another development in social welfare theory is the emergence of the *New Contractatian Approach* which promotes maximum freedom in the life of an individual or a person (Albert and Hahnel, 2005)

The definition of welfare according to the 1945 Constitution concerning welfare is an order of life and social life both material and spiritual which is filled with a sense of safety, decency and inner and outer peace, which allows every citizen to carry out efforts to fulfill the best physical, spiritual and social needs. - good for oneself, family and society by upholding human rights and human obligations in accordance with Pancasila.

Welfare economic theory is part of social welfare which can be linked directly or indirectly to the measurement of money. Welfare can be approached based on two things, namely: 1) subjective well-being and 2) objective well-being. At the individual level, feelings of happiness or sadness, peace or anxiety, and satisfaction or dissatisfaction are subjective indicators of quality of life. At the family level, the adequacy of housing conditions, such as the availability or absence of clean water, is an example of an objective indicator (Milligan et al., 2006).

The measurement of well-being is subjective when it relates to the psychological aspect, which is measured by happiness and satisfaction. Measuring welfare objectively using certain relatively standard benchmarks, such as using per capita income, by assuming there is a level of physical needs for all people to live properly. The measure most often used is the ownership of money, land or assets. In principle, the aspects that can be observed in analyzing welfare are almost the same, which include dimensions: income, spending on consumption, employment status, health conditions, and the ability to access and utilize basic needs such as (water, sanitation, health care and education). (Skoufias et al., 2000) .

Welfare economics is a branch of economics that uses microeconomic techniques to simultaneously determine the allocative efficiency of macroeconomics and the interrelated effects of income distribution. Economic activity is an activity that cannot be separated from the market. Basically economic activity is more concerned with a profit for economic actors from the market. So it is very difficult to find an economy that can equalize, when viewed from the existing market mechanism. Market conditions that are so competitive to seek profit, is one of the things that become obstacles to prosperity. The economy has the duty to provide rational principles for business as an economic activity, so that these economic activities do not only affect the needs of human life per person and in the short term, but also provide a surplus for the welfare of many people in the country. Market activities will greatly influence whether or not the economic activity is optimal. Competition in the market can also have a negative impact on the realization of a welfare economy. Where market competition makes the social context that must be considered in achieving economic welfare become very difficult to achieve.

3 RESEARCH METHODOLOGY

3.1 Data analysis technique

a. Econometric Test (Classical Assumption Test)

1) Normality test

The Normality test aims to test whether in the regression model, the residual or confounding variable regression has a normal distribution. If this assumption is violated, the statistical test becomes invalid for a small sample size.

Normality testing can also be done using the *p-plot test.* The P-plot is said to be normal if the points follow the diagonal line.

2) Multicollinearity Test

The multicollinearity test means that there is a close linear correlation between the

independent variables. The appropriate test statistic is VIF (*variance inflation factor)* **.** If the VIF value is greater than 10, then the data has multicollinearity

3) Heteroscedasticity Test

The goal of the heteroscedasticity test is to find out whether this data is free from heteroscedasticity or not, namely the variation in values that change / are not constant. The data can be said to be heteroscedasticity free if the significance level is > α.

b. Multiple Linear Regression Test

To determine the effect of income (X1), education (X2) on the level of community welfare in Tongko Village, Baroko District, Enrekang Regency, multiple linear regression analysis was used:

$$Y = \beta 0 + \beta 1X1 + \beta 2X2 + e$$

Information:

Y : public welfare
β0 : the magnitude of the influence of income, education is equal to zero
β1 : the magnitude of the effect of income on the level of social welfare
β2 : the magnitude of the influence of education on the level of social welfare
X1 : income
X2 : education
e : standard error

c. Hypothesis testing

1) Statistical T Test

T-test is used to determine the effect that occurs between 2 variables, namely the independent variable and the dependent variable. This test can be done by comparing the results of t count with the results of t table and t test can also be seen from the level of significance. If the significance level is lower than 0.05 or t count is greater than t table, it means that H0 is rejected and H1 is accepted so that the independent variable partially influences the dependent variable significantly.

If t table ≥ t count or t-statistical probability value > 0.05 then H0 is accepted meaning that the independent variables individually do not have a significant effect on the dependent variable. And conversely if t-table < t-count then H0 is rejected meaning that the independent variables individually have a significant influence on the dependent variable.

2) Simultaneous Significance Test (F Test)

The F test is used to determine the relationship between the independent variables, whether the income variable (X1) and education (X2) really have an effect simultaneously (together) on the dependent variable Y (welfare). The f test is carried out by comparing the f-count and f-table values to calculate the f-statistical value that can be used with the formula to find the arithmetic f-value with the formulation of the equation and the critical f-value from the f-distribution table. the critical f value is based on the magnitude of α and df where the magnitude is determined by the numerator (k-1) and df for the denominator (nk). the basis for decision making in the simultaneous test (test f) is as follows:

- if f arithmetic <f independent table together does not significantly affect the dependent variable.
- If f count > f table then H0 is rejected and H1 is accepted, meaning that the independent variables jointly influence the dependent variable significantly.

3) Coefficient of determination (R^2)

The R^2 value lies between 0 and 1. The closer to number one, the better the regression line and vice versa if it is close to 0, the regression line is not good. The coefficient of determination (R^2) serves to determine what percentage of the influence the independent variable simultaneously has on the dependent variable.

4. RESULTS AND DISCUSSION

4.1 Implementation of the Family Hope Program

Based on the formulation of the problem raised in this study, it will be discussed how

the effect of income and education on the level of community welfare in Tongko Village, Baroko District, Enrekang Regency, both partially and simultaneously, is as follows:

a. The Effect of Income Variable (X1) on the Level of Community Welfare in Tongko Village, Baroko District, Enrekang Regency

Based on the results of hypothesis testing, it can be seen that partially the income variable has no positive and significant effect on the level of community welfare in Tongko Village, Baroko District, Enrekang Regency. This can be seen from the t-test < t-table or 1.750 < 2.02619 with a significance value of 0.088 > 0.05.

This research is not in line with research conducted by Erwin Ndakularak (2014) which shows the results that income and education have a significant effect on the welfare of district/city communities in the Province of Bali.

The results suggest that there is a positive correlation between the level of income and welfare, the higher the level of income per capita, the higher the level of social welfare. Or in other words, countries with higher levels of per capita national income tend to have a higher level of welfare than countries with lower levels of per capita national income. In other words, when the per capita income is high, the level of social welfare will increase.

b. The Effect of the Education Variable (X2) on the Level of Community Welfare in Tongko Village, Baroko District, Enrekang Regency

Based on the results of hypothesis testing, it can be seen that partially the education variable has no positive and significant effect on the level of community welfare in Tongko Village, Baroko District, Enrekang Regency. This can be seen from the t-test < t-table or 1.416 < 2.02619 with a significance value of 0.165 > 0.05.

This research is not in line with research conducted by Erwin Ndakularak (2014) which shows the results that income and education have a positive and significant effect on the welfare of district/city communities in the Province of Bali. This is also in accordance with the theoretical basis which explains that increasing the level of human capital requires investment in the form of teachers, libraries and study time. Sukirno (2004) explains that education is a very useful investment for economic development.

c. The effect of per capita income (X1) and education (X2) on the level of community welfare in Tongko Village, Baroko District, Enrekang Regency

Based on the results of hypothesis testing, it can be seen that simultaneously the income variable (X1) and education variable (X2) have a positive and significant effect on the level of community welfare in Tongko Village, Baroko District, Enrekang Regency. And the results of statistical calculations show that the percentage influence of income and education on the level of community welfare in Tongko Village, Baroko District, Enrekang Regency, is 3.69%, while the rest is influenced by external factors, and also the p-value is smaller than the error level determined by the researcher, namely 0.000 <0.05, thus it can be concluded that Ho is rejected and H1 is accepted.

The results of hypothesis testing and statistical data are in line with research conducted by Erwin Ndakularak (2014) which showed the results that income and education both had a positive and significant effect on the welfare of district/city communities in the Province of Bali. In line with this research where the research conducted experienced a positive and significant relationship. With income and education statements, they have an influence on the welfare of the people in Tongko Village, Baroko District, Enrekang Regency.

5. CLOSING

5.1 Conclusion

Based on the data and discussion of the research, the following conclusions can be drawn:

1. Income (X1) partially has no positive and significant effect on the level of community welfare in Tongko Village, Baroko District, Enrekang Regency.
2. Education (X2) partially has no positive and significant effect on the level of community welfare in Tongko Village, Baroko District, Enrekang Regency.
3. Income (X1) and education (X2) simultaneously have a positive and significant effect on the level of community welfare in Tongko Village, Baroko District, Enrekang Regency.

5.2 Suggestion

Based on the results of the conclusions in this study, the researcher provides the following suggestions:

1. To improve the welfare of the people in Tongko Village, Baroko District, Enrekang Regency, the government must pay attention to several factors, namely Family Factors, Social Status Factors and Productivity Factors.
2. The education office must be more active in importing to the community that the level of education affects people's welfare. And giving directions to be aware of education and make the 9-year compulsory education a success.
3. For the community to further increase the minimum level of education up to the tertiary level and not only in formal education but also in non-formal education in order to improve self-quality, to be able to earn greater income and be able to compete globally.

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