

## **Gross Regional Domestik Product (GRDP) and Human Development Indeks (HDI) On Poverty in Bojonegoro Regency**

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**Abstract:** *Poverty is one of the complex problems because covers various aspects of the community life. HDI low is one of the problems can improve poverty, therefore HDI is one used as economic indicators to review the problem of poverty. Poverty alleviation must be implemented comprehensively from various sectors. Are also needed cooperation from the community and the seriousness of the government in dealing with this problem. With no shortage of natural resources owned bojonegoro especially in the oil and gas sector, should help to reduce poverty in the region. When GRDP Bojonegoro is the highest second in east java, But the fact Bojonegoro is 10 districts in East Java with high levels of poverty. This study aims to analyze how the influence of, (1) GRDP on poverty level in Bojonegoro 2007-2016 year, (2) HDI on poverty level in Bojonegoro 2007-2016 year, and (3) GRDP and HDI on poverty level in Bojonegoro 2007-2016 year.*

**Keywords:** *Gross Regional Domestik Product, Human Development Indeks and Poverty*

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### **I. Introduction**

Poverty is one of the main problems in the country in the world, no exception in Indonesia. The poverty problem in Indonesia lies in the lack of skilled workforce such as increasing the number of working force but not accompanied by the quality of manpower it has. Indonesia is a developing country with a poverty rate that is high enough, as in Java. Java which consists of six provinces, where the Central Java Province is a province that has a high poverty rate, and the second position is occupied by East Java Province. East Java is known as the second city after Jakarta metropolitan has a fairly high poverty rate amounted to 11.20 percent in 2017, and this figure decreased from the previous year in 2016 was 11.85 percent.<sup>1</sup> The problem of poverty in East Java was influenced by three factors namely education, employment issues, and health problems. The problem of poverty in East Java was influenced by three factors namely education, employment issues, and health problems. One of the districts that accounted for high poverty figures in East Java in the Bojonegoro Regency. According to the Central Statistics agency in 2015 poverty figures in Bojonegoro increased to 15.71 percent compared to 2014 percent in 15.48. This figure is far above the national poverty number. The current is Bojonegoro Regency ranked 9th in the poorest district in East Java, from 29 regencies and 9 cities.<sup>2</sup> One to reduce the poverty rate is to increase economic growth by increasing Gross Regional Domestic Product (PDRB) while enhancing Human Development Index (HDI) through education, health and purchasing power Community.

Suryawati (2005) argues that life in poverty not only lives lack of money and the low incomes but also many other things, as the health and education low, unfair treatment in law, susceptibility to the crime, the berdayaan in determining his own life.<sup>3</sup> According to the bureau, the poverty rate based on a consumption the such as food namely 2100 calories per person per day of (52 types of commodities regarded to speak for consumption patterns people are di Capitan under), and consumption non food goods (of 45 types of commodities food based on the agreement national and not distinguished any of rural and urban areas). For sufficiency 2100 calories is valid for all kinds of age, sex, and the physical Debian level, weight, and estimates physiological status population, size is often described by the poverty line. People can earn below poverty line said poor.

GDRP is net worth goods and services end produced by various economic activities in an area in the period. GRDP is a reflection of the ability of an area the management of their nature. Hence the GRDP produced by masing-masing the region badly dependent on potential natural resources and production factor the area. The lack of providing factors has caused the GRDP varied between regions. In a country economy, sector depends on other sectors, one another need each other in power, the raw materials, and the outcome. The industrial sector needs raw material from the agricultural sector and mining, the results of the industrial sector required by agriculture and services.

Gross Regional domestic product on the basis of constant price shows the added value of goods and services calculated using the price in a given year as the basis in which this calculation is used in 2000.

Sukirno (2002) says gross Regional domestic product on a constant basis of price is used to determine economic growth from year to year while according to the Gross Regional Domestic Product (GRDP) statistics agency on the basis of applicable price applies to the magnitude of the economic structure and the role of economic sectors.<sup>4</sup>

Gross Regional Domestic Product (GRDP) in bojonegoro regency visible always make progress which jumped from year to year it was because income in the oil and gas sector contributed very high. Based on the report the Central Bureau Of Statistics (BPS) GRDP Bojonegoro district on the basis of current prices, 2015 of 46.649.168,2 increased 55.582,28 in 2016.<sup>5</sup> From the data shows economic growth in Bojonegoro the better. But when looking at there are indications that the economic growth is economic growth smooth. It is characterized by the high number of poverty in bojonegoro should be GRDP growth increase from year to year. Poverty has been a problem. Not only in the central government but in the regional government also be sufficient matter chronic. According to statistics, the percentage of poor in Bojonegoro of 16.71 percent and in 2016 decreased to 14.60 percent in 2016.

Human development basically it has a broad. But, the basic idea of human development itself is positive growth in the economy, social, political, culture, and environment, and changes in human welfare. The basic idea of it has focused on humans and welfare. The United Nations Development Program (UNDP) putting a man as the wealth of the real.<sup>6</sup>Hence, the main purpose of development creates an environment that allows for its citizens to enjoy longevity, healthy, and run a productive life. It seems to have been really simple. But it often was forgotten by various short term commitments to amass a treasure and money (Human Development Report 1995).

Todaro (2003) said that the development of human being is a goal for development itself.<sup>7</sup> Which human development play a key role in forming the abilities of a state in absorbing modern technology and to develop their capacity in order to keep the growth and sustainable development.

According to Napatipulu (2007) Human Development Index contain three dimensions important thing for development is linked to meeting the needs of will live long live (longevity) and healthy lives (healthy life), to gain knowledge (the knowledge) and have access to resources to fulfill standard of living.<sup>8</sup> It means, three dimensions important in human development is very significant impact on poverty.

Human Development Index (HDI) measuring the achievement of human development based on some basic component quality of life. As a measured quality of life, HDI built with the three dimensions base. These include longevity and health, knowledge and a decent life. For measuring health dimension, used life expectancy time born. Furthermore for measuring the dimensions of knowledge joint hope used the old school and average duration school. But for measuring the dimensions live used indicators their customer's purchasing power.

According to data, the central bureau of statistics (BPS) in the period of the last five years increased. HDI magnitudes of Bojonegoro in 2014 worth 65.27 percent increased by 66.17 percent in 2015.<sup>9</sup> According to UNDP if value HDI among 66 to 80, then classified as "up medium".

But in fact, they are still down from the district of Bojonegoro HDI Lamongan. In the year 2015 HDI Bojonegororegencyt 66.17 percent while the HDI for Lamongan Regency in the same year as much as 69.84 Regency. But the percentage of poor people in the year 2015 in Bojonegoro as much as 14.60 percent is lower than Lamongan regency reached 14.89percent in the same year.<sup>10</sup>

According to background up to the purpose of the research is to see how (1) the effects of GRDP against poverty level in Bojonegoro, (2) the effects of HDI against poverty level in Bojonegoro and (3) influence GRDP and HDI against poverty level in Bojonegoro.

## **II. Research Methods**

In this study supports the hypothesis of using this type of research using a quantitative approach. A quantitative approach to look at the influence of the dependent variable against the independent variable.<sup>11</sup> In this study, the independent variable is Gross Regional Domestic Product (GRDP) and Human Development Indeks (HDI)the dependent variable, as in this study was proverty. The data used are secondary data from the years 2007-2016 in Bojonegoro regency. Data analysis technique used is a liniermultiple regression using SPSS.<sup>12</sup>

### III. The Research Results and Discussion

#### 3.1 Gross Regional Domestic Product (GRDP) on Proverty

**Table 3.1** Influence coefficient for Gross Regional Domestic Product (GRDP) against Proverty Coefficients<sup>a</sup>

Model	Unstandardized Coefficients		Standardized Coefficients	t	Sig.
	B	Std. Error	Beta		
(Constant)	53,743	40,247		1,335	,224
HDI	-,388	,606	-,080	-,641	,542
GRDP	-2,474E-7	,000	-,926	-7,402	,000

a. Dependent Variable: Proverty

Based on the results of the analysis test the correlation the correlation between GRDP and Poverty can be presented results is Prob.  $0.000 < 0.05$  there is an correlation between the GRDP with Poverty. This results of this study rejected by the research of I made Parwata, I wayan Swendra and Fridayana Yudiatmaja (2016), which states that Gross Regional Domestic Bruto (GRDP) no significant effect on the poverty rate in Buleleng year 2009 – 2013.

However, the results of this study are supported by research conducted by Dama, Lopian and Sumual (2016), which states that GRDP significant effect on Poverty Rate in Manado year 2005-2014.<sup>13</sup> The results of this study are also supported by Wahyuningsih and Zamzami (2014), which GDRP significantly affects the level of poverty in Nagan Raya district.<sup>14</sup> That means if the PDRB increases it will be able to lower the number of poor people.

#### 3.2 The Human Development Index (HDI) on Proverty

Based on the results of the analysis test the correlation the correlation between HDI and Poverty can be presented results is Prob.  $0.542 > 0.05$  so there is no correlation between the HDI with Poverty.

The results of this study are supported by research conducted by The results of this study are supported by research conducted by Cholili and Pudjiharto (2014), which states that HDI negative effect and no significant on the Poverty in Indonesia.<sup>15</sup> Decrease in poverty while the HDI increase is an indication that the improved HDI is the high quality of human resources will result in increased work produktivity of the population that will increase revenue. With asumsi if income increases then the automated society capable of meeting the needs of her life as well as lowering poverty rate.

However, this research is not supported research by Ruseva, Genov and Jecova (2014) which Human Development Index (HDI) significant effect on poverty in Bulgaria by looking at Human Poverty Index. Because Poverty is a complex social problem that is particularly important for human society.<sup>16</sup> Specifically the poverty in Bulgaria is characterized by new forms and the inherent specificity caused by the history, traditions and changes in society.

#### 3.3 Effect Gross Regional Domestik Product (GDRP) and Human Development Indeks (HDI) on Poverty

**Table 3** : F-test result ANOVA<sup>a</sup>

Model	Sum of Squares	df	Mean Square	F	Sig.
Regression	154,731	2	77,366	29,784	,000 <sup>b</sup>
Residual	18,183	7	2,598		
Total	172,914	9			

a. Dependent Variable: Poverty

b. Predictors : (Constant), GDRP, HDI

Based on the F test results in table 3 then all the dependent variable independent variable affect Gross Regional Domestik Product (GDRP) and Human Development Indeks (HDI) on Poverty affects open with significant values  $0.00 < 0.05$ . Thus, there are significant effects between Gross Regional Domestik Product (GDRP) and Human Development Indeks (HDI) on Poverty in Bojonegoro Regency.

These results are in accordance with the results of the research conducted by Wahyuningsih and Zamzami (2014), which GDRP significantly affects the level of poverty in Nagan Raya district. That means if the PDRB increases it will be able to lower the number of poor people. In addition, research conducted by Cholili and M. Pudjiharto (2014), which states that HDI negative effect and no significant on the Poverty in Indonesia.

#### IV. Conclusion

Based on the discussion of the results of the research, then, can put forward some Conclusions:

1. GRDP has effect on poverty in Bojonegoro. GRDP is very important with growth economic in Bojonegoro, especially in an attempt to lower the level of poverty.
2. HDI has no effect on poverty in Bojonegoro indicates health, education and purchasing power factor needs to be improved by the government. Government can also provide health and education service free and especially for the poor.
3. The effect of all dependent variables: Gross Regional Domestic Product (GRDP) and Human Development Indeks (HDI) simultaneously against poverty.

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