



## The Effect of Tourism Sector Income on Economic Growth in Bulukumba Regency

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### Abstract

This study aims to determine the effect of tourism sector income on economic growth in the Bulukumba Regency. The data used are secondary data obtained from the Bulukumba Regency Tourism Office and the Bulukumba Regency Central Statistics Agency. The data analysis method used is simple regression analysis. The results show that the tourism sector income variable significantly influences economic growth based on hypothesis testing. This study aims to determine the effect of tourism sector income on economic growth in the Bulukumba Regency. The data used are secondary data obtained from the Bulukumba Regency Tourism Office and the Bulukumba Regency Central Statistics Agency. The data analysis method used is simple regression analysis. The results show that the tourism sector income variable significantly influences economic growth based on hypothesis testing.



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## 1 Introduction

Economic growth is a country's financial problem in the long term towards a better condition during a specific period. It can also be associated with a state of increasing production capacity or the economy, manifested as an increased production capacity of an economy that is displayed in the form of an increase in national income. Their economic growth is an indication of the success of economic development. In macro analysis, the economic growth achieved by one country is measured by the real national income earned by one country. Products to improve the welfare of the community. The role of the government as a development mobilizer is very strategic in supporting the improvement of people's interests and the country's economic growth. Economic growth is an indicator to see the results of development that has been carried out and is also helpful in determining the direction of action in the future. Positive economic growth indicates an increase in the economy. With the issuance of Law Number 23 of 2014 concerning the development of Regional Autonomy outside of the central government to the provincial and district/city governments and Law Number 33 of 2014 concerning the balance of central and regional finances, they are causing the allocation of the functions of authority and responsibility for environmental management which has been concentrated in the central government to local governments, where the role of community involvement will be increasingly dominant and able to provide considerable opportunities for regions to become more prevalent and offer excellent opportunities for areas to manage their natural resources to maximize and be able to give results.

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Optimal. One of the efforts to increase regional economic growth is to optimize the potential in terms of tourism.

The development of tourism in a country will encourage and accelerate economic growth. Tourism activities create demand for consumption and investment, producing goods and services. During the tour, tourists will go shopping, which makes a demand (final tourism order) for the market for goods and services. Furthermore, final tourist demand indirectly creates demand for goods and raw materials (*investment-desired demand*) to produce to meet tourist demand for these goods and services. To meet the demand of tourists, investment in transportation and communication, hospitality and other accommodations, handicraft and consumer product industries, service industries, restaurants/restaurants, and others are required (Spillane, 1994). The tourism sector is one of the strategic factors that need to be maximized for tourism as part of national development. It aims to expand business opportunities and create employment opportunities in line with the stages of national development. The implementation of national tourism development is carried out as a whole. Tourism growth aims to increase people's income, improving the community's welfare. In line with efforts to strengthen the regional economy, the Bulukumba Regency government is required to have the ability to be able to develop the economic potential of the region more effectively and efficiently. One of the economic potentials of the Bulukumba Regency is in terms of the tourism sector. It is hoped that the Bulukumba Regency government can develop and utilize the potential of this tourism sector because the tourism sector will be able to create the economy of the Bulukumba Regency. Suppose a country's economy is developed in a planned and integrated manner. In that case, the tourism sector's role will exceed the oil and gas sector (oil and natural gas) and other industries (Pleanggara and Yusuf 2012).

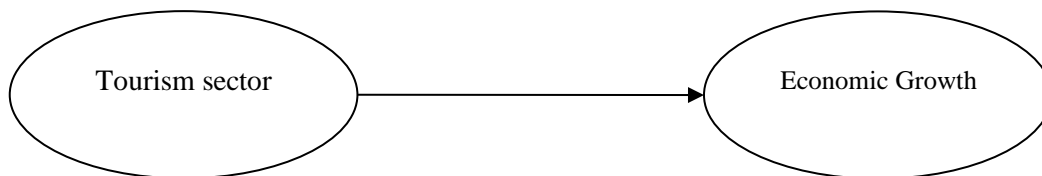
In Indonesia, the development of the tourism sector continues to be carried out by utilizing existing tourism resources to be used as a reliable source of economic activity. The rapid development of tourism components that play a role in building various tourism activities can encourage national economic growth. Several members of the tourism economy that affect national income include domestic tourist spending, foreign tourists spending, investment from the government or the private sector in the tourism sector, tourism promotion spending, and tourism business spending (Hermawan. 2021). Bulukumba Regency also has exciting potential and is well known domestically and abroad. Therefore, Bulukumba Regency has considerable potential and opportunity for development in the tourism sector. According to (Spillane, 1987), the role of tourism in developing the country is three-sided, namely the economic aspect (sources of foreign exchange and taxes) and the social part. (job creation), and cultural aspect (introducing our culture to foreign tourists). With that, it can be interpreted that Bulukumba Regency is very potential to develop the tourism sector seeing the potential that the Regency has. The potential for developing the tourism sector in Bulukumba Regency has many prospects, which of course, can make a significant contribution to economic growth in the region with various tourism objects, including handicraft tourism, marine tourism, historical tourism/historic sites, traditional tourism, water tourism, nature tourism. And agro-tourism.

Based on the number of tourist objects that can be visited in South Sulawesi, especially in Bulukumba Regency, both from foreign tourists and domestic tourists, a country and region, especially South Sulawesi, specifically in Bulukumba Regency, can bring and bring in foreign exchange from tourism and has a somewhat important role in the structure of tourism. National foreign exchange earnings, especially when compared to foreign exchange originating from goods exports and foreign exchange, can support per capita income and the economic growth of South Sulawesi.

Tourism directly impacts the economy, job creation, income levies, and the strengthening of the balance of payments. Tourist spending as an alternative export form contributes to foreign exchange earnings (balance of payments) and the income derived from tourism expansion. Foreign exchange earnings from tourism can also be used to import capital goods to produce goods and services, leading to economic growth. According to Boediono, economic growth is a process of increasing output in the long term. Economic growth is related to the increase in per capita output which the theory must include GDP growth and the idea of population growth to explain per capita production. The development of tourism in a country will encourage and accelerate economic growth. Tourism activities create demand for consumption and investment, producing goods and services (Boediono, 200 4 ). In research (Sulastri, 2019), the study results show that the tourism sector's income has a positive and significant effect on community welfare and economic growth. (Yakup & Haryanto, 2019) The results of the study show that tourism has a positive impact on economic

growth. (Yudha & Purbadharmaja, 2019) The contribution of tourism has a positive and significant impact on Economic Growth.

Based on the description of the relationship between the variables mentioned above, the following research model can be developed:



**Figure 1. Research Model**

**H1:** The tourism sector has a positive and significant impact on economic growth in Bulukumba Regency.

**2 Research Method**

This study aimed to determine the effect of the tourism sector on economic growth in the district. The type of data used in this research is quantitative data. Quantitative data is data in the form of numbers taken from data related to the discussion. The data used in this study is secondary data that is sourced from the Central Statistics Agency (BPS) Bulukumba Regency. The data obtained is the final result in revenue from the tourism sector and Gross Regional Domestic Product in 2014-2018. The data analysis method used in this research is simple linear regression analysis based on the functional or causal relationship of one independent variable with one dependent variable. (Sugiono, 2012).

$$Y = a + bX + e_i$$

Information

X = Tourism Sector Income

Y = Economic Growth

b = Regression coefficient

e = error term

This study's last data analysis stage is to test the coefficient of determination and the partial test.

**3 Result and Discussion**

**Result**

**Table 1. Tourism Sector Revenue 2014 - 2018 (in billions of rupiah)**

No.	Year	Tourism Sector Revenue
1.	2014	3,657.60
2.	2015	4,567.60
3.	2016	7,252.20
4.	2017	13,653.32
5.	2018	13,653.32
Amount		42,784.04
Average		8,556.88

Based on table 1, the tourism sector income shows that yearly it has increased quite well. The average income of the tourism sector in 2014-2018 was 8,556.88, and revenue in 2017 and 2018 experienced the same payment of 13,653.32, while the lowest value in 2014 was 3,657.60.

**Table 2. Economic Growth in 2014 – 2018 (in billions of rupiah)**

No.	Year	GRDP Constant Price
1.	2014	6,413.69
2.	2015	6,773.59
3.	2016	7,234.36
4.	2017	7,730.91
5.	2018	8.120.98
Amount		36,273.53
Average		7,254.706

Source: Makassar City Tourism Office, Data Processed 2019

Based on table 1, the level of GRDP every year GRDP has increased. The average GRDP in 2014-2018 was 7,254.706, the highest GRDP in 2018 was 8,120,980, while the lowest value in 2014 was 6,413.69.

In this study, there are two research variables: the income of the tourism sector as an independent variable and economic growth seen by GRDP Bulukumba based on constant prices as the dependent variable. To test whether or not each independent variable affects the conditional, the regression model is tested with the help of the SPSS 21 statistical computer program. From the results of the SPSS 21 test, the output model of the simple regression equation is as follows:

**Table 3. Simple Linear Regression Analysis**

Model		Unstandardized Coefficients		Standardized Coefficients	t	Sig.
		B	Std. Error	Beta		
1	(Constant)	13,298	,280		47,571	,000
	income	,158	0.018	,982	8,955	,003

a. Dependent Variable: growth

Table 3 data can be explained that (X) tourism sector income affects (Y) economic growth, so the regression model is obtained as follows:

$$Y = 13.298 + 0.158X$$

And from the results above, it can be interpreted that the constant of 13,298 indicates that when the tourism sector income variable is in a stable position or does not change, the economic growth of the Bulukumba Regency can be said to be good with a figure of 13,298. The regression coefficient value of tourism sector income is 0.158, which means that when tourism sector income increases by 1%, the economic growth of the Bulukumba Regency will also increase by an increase of 0.158.

The next stage is to partially test the hypothesis intended to determine whether or not the independent variable has a partial influence on the dependent variable. If the probability value of the t-statistic is less than the significance level of = 0.05 or 5%, then partially, the independent variable has a significant effect on the dependent variable. Based on the statistical test in table 3, the value of t count > t table (8.955 > 2.776) with a significant level of 0.003 because it is smaller than 0.05 (0.003 < 0.05), then Ha is accepted, and H0 is rejected. This means that partially the tourism sector income variable (X) has a positive and significant effect on economic growth (Y).

The next stage is to analyze the Coefficient of Determination (R<sup>2</sup>). This is used to determine how much the ability of the model in the study to explain the dependent variable. The following are the results of the Coefficient of Determination (R<sup>2</sup>):

**Table 4. Coefficient of Determination (R<sup>2</sup>)**

Model	R	R Square	Adjusted R Square	Std. The error in the Estimate
1	,982a	,964	,952	,02154

From the results of computerized data processing using the SPSS version 21 program in table 4, the coefficient of determination ( $R^2$ ) = 0.964 or 96.4%. This shows that the tourism sector income variable can explain 96.4% of economic growth, while the rest ( $100\% - 96.4\% = 3.6\%$ ) is explained or influenced by other factors not examined or outside the model.

## Discussion

### *The Effect of Inflation on Economic Growth*

This study's tourism sector income variable is positive and significant for economic growth. This is because the government can create high economic growth and equal income distribution per capita. The relationship between the tourism sector and economic growth is the basis for the dependence of some tourist-based economies on the impact of tourism on their economic development, e.g., tourism provides many jobs for residents starting businesses that cater to tourists, leads to the generation of tourist income and expenditure and fiscal policy, helps in infrastructure development. One of the benefits between tourism and economic growth is that tourist areas are passionate about providing jobs for the residents of the site. This research is in line with the PAD explanation, which states that local revenue is a regional financial policy directed at increasing regional income as the primary source of regional income that regions can use in carrying out government and regional development according to their needs to minimize dependence on obtaining funds from top-level government (subsidies). The community can enjoy high economic growth if the per capita income is also evenly distributed, and per capita income is evenly distributed if the entry of tourism sectors can absorb labor. The tourism sector can attract a lot of workers; this makes the tourism sector one of the 11 jobs that interest the most work (Sabon, 2018)

## 4 Conclusions

The Tourism Industry positively and significantly affects Regional Original Income (PAD) in Makassar City. Then the tourism industry individually and significantly affects local revenue. The results of this analysis indicate that the income of the tourism industry has a significant and significant effect on regional revenue. Based on this research, the authors suggest things that need to be considered, especially in the Tourism Industry. Local governments are expected to play an active role in efforts to promote tourism places in Makassar City. The natural step that can be taken is to open an information center either nationally or internationally related to tourism in the city of Makassar. It is hoped that the local government of Makassar City will always strive to support efforts to develop the tourism sector in Makassar City. Genuine efforts can be made by building all infrastructure facilities that aim to attract tourists to these tourist sites and explore sources of tourism industry income that can encourage and stimulate revenue development in PAD. For further researchers, it is hoped that they can continue and develop this research by adding variables and the budget year.

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