

Household Social and Economic Profile in North Sumatra Province

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Abstract. Regional profile is a complete and detailed description of a particular region or region. The profile includes various information covering geographical, demographic, social, cultural, economic, infrastructure, natural resource potential, tourism, and other aspects relevant to the area. The research method is used to describe in detail the characteristics and conditions of an area while also using secondary data analysis methods. North Sumatra Province has an area of 72 981.23 ha. The majority religion is Islam, Gender of women is more than men, and are in the age range of 5-9 years. Madina Regency is the largest district. The Municipality of Medan has the highest Human Development Index score. The largest percentage of poor people live in West and South Nias, namely 25% - 26% of the total population in North Sumatra. Main commodities is rice, rubber, coffee, cocoa, rubber and cocoa

Keywords: Profile, Household Social , Economic.

1 Introduction

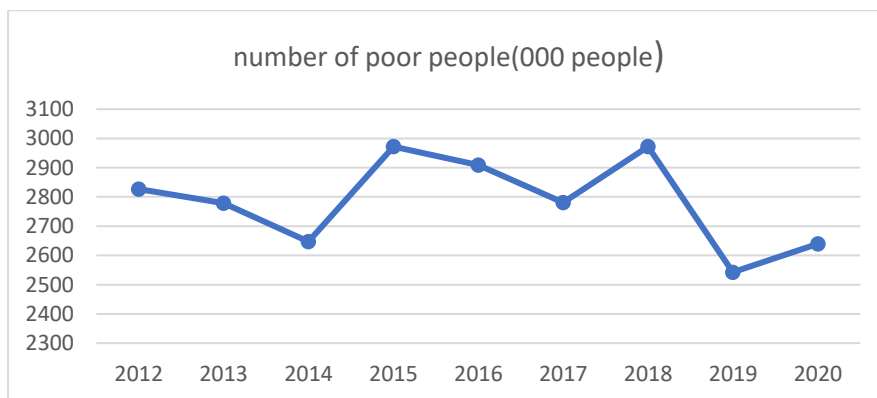
The problem of poverty is a classic problem that can be seen from various points of view. Various sectors are often associated with poverty. BPS (2023) poverty is often associated with a person's inability from an economic perspective to fulfill both basic food and non-food needs which can be measured by the amount of household expenditure. Per capita expenditure is one of the indicators used to measure the poverty level of a household. Residents are classified as poor families if they have an average expenditure below the average per capita expenditure below the poverty line. The poverty line is a number used as a benchmark for a person's minimum expenditure to meet food and non-food needs. The poverty line is divided into Food Poverty Line (GKM) and Non-Food Poverty Line (GKNM)

The amount of minimum household expenditure to meet basic living needs is used as an indicator in measuring the Food Poverty Line (GKM). The basic food requirements that are usually used are equivalent to 2100 kilocalories per capita per day. This minimum food expenditure is grouped into 52 types of commodities (grains, tubers, fish, meat, eggs and milk,

vegetables, nuts, fruit, oils and fats, etc.). Non-food expenditure is also an indicator for measuring poverty, known as the Non-Food Poverty Line. Non-food needs include housing, clothing, education and health. Non-food needs are also grouped into 51 types of commodities in urban areas and 47 types of commodities in rural areas.

According to the World Bank (2000), the definition of poverty is loss of well-being. Meanwhile, the core problem of poverty is the limitations of welfare itself. In economic theory, the more goods consumed means the higher a person's level of welfare. The level of welfare can be interpreted as the ability to access available resources (goods consumed). The ability to access available resources can be measured through the amount of a person's income or expenses. If the definition of poverty is related to the level of welfare, poverty can be defined as an inability to fulfill welfare or in other words a lack of access to resources to meet one's living needs. Lack of access here means a person's lack of income.

North Sumatra Province as one of the provinces in Indonesia is also not free from the problem of poverty. Based on data from the Central Statistics Agency, the number of poor people in North Sumatra Province has also fluctuated in recent years. In the last two years the number of poor people has shown a drastic decline compared to 2018. Efforts to reduce poverty certainly come from all communities in Indonesia, of course with help and support from the government.



Source: BPS, North Sumatra Province, 2021

Nurkse (in Kuncoro, 2006) explains a theory called the circle of poverty theory, decline, imperfect markets and a lack of capital cause human resources to be of low quality. The low quality of human resources results in low productivity so that the expected work results are not optimal, of course this has an impact on decreasing income, and ultimately results in low savings and investment. Investment can be in various aspects, for example education, capital and consumption. This theory measures poverty from indicators of education, investment and consumption.. Possible poverty measurement trusted and the study of the causes of poverty becomes an instrument tough for policy makers in focusing attention on conditions poor people's lives.

Poverty is a classic problem that is difficult to solve, it concerns all aspects of life, so addressing it must also be done from various points of view. Measuring the level of community poverty can also be seen from how much people consume basic necessities, for

example clothing, food and housing. Ownership of property assets in the form of residential houses. The concept of Asset Ownership is the government's ownership of assets obtained from the past, then obtained from the future and expectations of asset acquisition either from the government or from community groups, these assets can be measured in the form of money or other types of non-financial resources needed by parties other than the provider services for the general public and resources that are protected because they are part of history and culture (Seiler, 2001)

Asset ownership in this research is residential houses. It can be explained that the level of residential ownership in North Sumatra is quite good. In general, in 2020, more than 50% already have a place to live in all districts and municipalities, although some are still renting/renting and some are in other categories. Others are meant here, staying at their parents' house or others. From the data in Table 1.1, it can be explained that in 2020, more than 50% of the population will have their own house, especially those who live in the district. This is different for residents who live in the Municipality. The number of residents who have their own house is lower, this is due to asset prices in The city is much more expensive than the district. This indicator shows that the poverty level in cities is higher than in city districts, due to the inability of residents to have housing assets as a basic need. Based on data on asset ownership, the poverty rate in cities will be higher than in villages, because people have a lower ability to own assets compared to people in villages.

This research will analyze the socio-economic profile of households in North Sumatra Province. Socio-economic conditions will provide a picture of the people of North Sumatra, regarding the area of North Sumatra, the religion adhered to by the people, the gender of the people, the quality of human resources in the people of North Sumatra, the number and type of commodity.

1. Poverty

Poverty is largely influenced by economic growth in the region (Putri and Effendi 2021), although social assistance spending and employment opportunities do not have much of an effect on poverty. The socio-economic influence is shown by (Liu et al. 2021; KOUSAR et al. 2021; Cammeraat 2020) by measuring the variables GDP, health, labor absorption, education, inflation, income inequality, age of the head of the family and employment opportunities in various business fields. (Kousar et al. 2021) shows that there is a positive relationship between inflation, unemployment and government policies related to poverty alleviation programs on poverty levels in the long term.

Poverty has various concepts. The World Bank defines poverty using a measure of purchasing power/ability, namely US \$1 or US \$2 per capita per day. Meanwhile, BPS defines poverty based on the poverty line. The poverty line value used to determine poverty refers to the minimum needs required by a person, namely 21.00 calories per capita per day, plus the need for non-food drinks which are a person's basic needs which include; shelter, clothing, schooling, transportation, all underlying household and individual needs. According to BPS, someone is said to be poor if their expenditure is lower than the Poverty Line. In contrast to what Bappenas (2004) stated, this is a condition where a person or group of men and women are unable to fulfill their basic rights including: food, clothing, health, education, work, housing, clean water, land, resources. nature and the environment, a sense of security from treatment or threats of violence and the right to participate in social and political life.

Poverty can also be caused by: (a) low quality of the workforce, (b) difficult and limited access to capital ownership, (c) low level of technological mastery, inefficient use of resources, and (e) high population growth (Sharp et al, 2000). Apart from the various opinions above, poverty is generally caused by two factors, namely internal factors and external factors. Internal factors are factors that come from within the poor person, such as an attitude that accepts what is, not being serious about trying, and less than perfect physical condition. Meanwhile, external factors are factors that come from outside the poor, such as isolation due to limited access, lack of employment opportunities, lack of opportunities, limited natural resources. Most of the factors that cause people to be poor are external factors. Several other factors that cause poverty are low local and global economic growth, low levels of education and technological mastery, limited natural resources, high population growth, and uncondusive political stability (Maipita, 2014).

2. Educational Inequality

On the other hand, education and poverty are very closely related, where education is one of the important factors that influence poverty (Liu et al. 2021). Education has a great influence and benefit on reducing poverty, so this shows that investment in the education sector is needed, in addition to increasing the quality of education and easy access to education (Afzal et al. 2012). An adequate level of education will increase opportunities for poor people to escape poverty (Anderson 2013).

Level of Education (can also be interpreted as level of education), is the stage of education that is determined according to the level of development of students, the goals to be achieved and the abilities to be developed. There are three educational pathways, namely formal, non-formal and informal education pathways. Formal education includes primary education, secondary education, and higher education. Informal education includes education from the family and environment, while non-formal education is education carried out outside formal education (Law of the Republic of Indonesia Number 20 of 2003).

The level of education has an influence on poverty reduction. Development in the education sector is an important aspect that the government needs to do to reduce poverty. Through investment in education, the quality of human resources will be able to improve. Increasing skills and knowledge will encourage a person's productivity, thereby increasing the income received which will lead to increasing community welfare and reducing poverty. Empirically there is a strong relationship between the level of education and the level of wages received by employees. People with higher levels of education on average have higher levels of productivity. Not only do they start working at a higher level, but they progress much more quickly, which for people with a lower level of education would take much longer. Employers use learning skills as an indicator to estimate employee productivity potential (Mihai, Țițan, and Manea 2015).

Better education increases the probability of being less poor because a higher level of education provides higher opportunities for better jobs and higher incomes (Teguh and Nurkholis 2012). People's opportunities to escape the trap of poverty are of course determined by many variables. (Osarumwense 2014) tries to explain poverty which is determined by household education level, unemployment, marital status, property loans, monthly income, household members and gender of the head of the household. (Khalid, Shahnaz, and Bibi 2005) also used a logit model to explain the chances of poverty based on social and economic

variables in Pakistan. In Indonesia itself, the logit model is applied by (Nurdiansah and Khikmah 2020) which explains poverty in Central Java.

According to Yagami (2013) educational inequality is a mismatch between what should be or what is expected and what happens. This means that educational development must be evenly distributed without any differences, so that the people or society can enjoy proper and quality education. Educational inequality is very important in knowing the effectiveness of the education system and as a measuring tool for evaluating the education process. Several reasons why educational inequality is something that needs to be researched is because of the link between welfare and efficiency. From a welfare perspective, quality education can directly increase an individual's ability to strengthen their welfare. Although there is still an education gap between the rich and the poor. If the condition of poverty is considered as "deprivation of fulfilling the minimum educational requirements, namely elementary school", then welfare inequality must include a measure of educational inequality (Sen, 2000). According to BPS (2019), indicators of educational attainment can be seen from the average number of years of schooling and school participation rates. However, this increase in achievement does not necessarily imply equitable education. Thomas et al (2001) stated that educational indicators are less effective in describing educational inequality. Therefore, other measures of educational inequality are needed, such as the educational Gini index..

2 Research Method

Methods The research was conducted in a qualitative descriptive manner. The data taken is the household social and economic profile of in North Sumatra Province. The data taken are monthly data and annual data, namely from January 2015 to December 2021. The data collection technique used in this study is the documentation method, using primary data from MSE actors and secondary data available at Bank Indonesia, the Central Agency National Statistics.

3. Research Results

North Sumatra Province is one of the provinces located on Sumatra Island, with borders with Aceh in the north and West Sumatra and Riau in the south. The majority of tribes in North Sumatra are the Batak tribe who live in the mountains and the Malay tribe who live in the eastern coastal areas. Apart from that, there are also Nias ethnic groups on the West coast of Sumatra, Mandailing, Java and Chinese. North Sumatra Province is located at 1° - 4° North Latitude and 98° - 100° East Longitude. The land area of North Sumatra Province is 71,680 km². North Sumatra can basically be divided into: The east coast is the region within the province that is developing the fastest because the infrastructure requirements are relatively more complete than other regions. The eastern coastal region is also an area with a relatively dense population concentration compared to other regions. In the central area of the province are the Bukit Barisan Mountains. In these mountains there are several plateaus which are pockets of population concentration. The area around Lake Toba and Samosir Island is

also home to residents who depend on this lake for their livelihoods. The west coast is commonly known as the Tapanuli area. There are 419 islands in the province of North Sumatra. The outermost islands are Simuk Island (Nias Islands), and Berhala Island in the Malacca Strait. The Nias Islands consist of Nias Island as the main island and other small islands around it. The Nias Islands are located off the west coast in the Indian Ocean. The government center is located in Gunung Sitoli. The Batu Islands consist of 51 islands with 4 large islands: Sibuaasi, Pini, Tanahbala, Tanahmasa. The government center is Pulautelo on the island of Sibuaasi. The Batu Islands are located in the southeast of the Nias archipelago. Other islands in North Sumatra: Imanna, Pasu, Bawa, Hamutaia, Batumakalele, Lego, Masa, Bau, Simaleh, Makole, Jake, and Sigata, Wunga. In North Sumatra there are currently two national parks, namely Gunung Leuser National Park and Batang Girls National Park. According to the Decree of the Minister of Forestry, Number 44 of 2005, the forest area in North Sumatra is currently 3,742,120 hectares (ha). Which consists of Nature Reserve Areas/Natural Conservation Areas covering an area of 477,070 ha, Protected Forests 1,297,330 ha, Limited Production Forests 879,270 ha, Permanent Production Forests 1,035,690 ha and Convertible Production Forests covering an area of 52,760 ha. However, this figure is de jure only. Because de facto, the existing forests are not that large anymore. There was a lot of damage due to encroachment and illegal logging. So far, more than 206,000 ha of forests in North Sumatra have experienced changes in function. Has been turned into plantation land, transmigration. Of this area, 163,000 ha is for plantation areas and 42,900 ha is for transmigration areas.

Geography: North Sumatra is located in the northern part of the island of Sumatra. The region borders Aceh to the west, the Indian Ocean to the north, Riau to the east, and West Sumatra to the south. This province has an area of around 72,981 square kilometers. **Population:** North Sumatra has a fairly large population. According to 2020 data, the population is around 15 million people. The Batak tribe is the dominant indigenous tribe in this province, with sub-tribes such as the Toba Batak, Karo Batak, Simalungun Batak, Mandailing Batak, and Angkola Batak. Apart from that, there are also other tribes such as Malay, Nias, Javanese and Chinese. **Language:** Indonesian is the official language in North Sumatra. However, many local residents also use regional languages, especially Batak language, in daily communication. **Economy:** North Sumatra has a fairly diverse economy. The agricultural sector is one of the main sectors with the production of rice, rubber, palm oil and coffee. Apart from that, industry is also developing in the textile, electronics, food and beverage, and tourism sectors. **Tourism:** North Sumatra has various interesting tourist attractions. One of the famous ones is Lake Toba, the largest volcanic lake in the world which is a tourism icon in North Sumatra. Apart from that, there is also the Gunung Leuser National Park which is famous for its biodiversity, as well as the Sipiso-piso Waterfall which has beautiful views. **Culture:** The rich and diverse Batak culture is one of the attractions of North Sumatra. Traditional dances such as Tortor, Sigale-gale, and Tor-tor are often performed at traditional events. Traditional Batak music such as gondang, hasapi, and taganing are also popular. Typical foods such as naniura, saksang, arsik, and ulos are also part of North Sumatra's cultural heritage.

Table 1. Description of Family Samples in North Sumatra Province in 2022

Description of Head of Family	Number of Families	Persen
Poor Family	753	3.57
Family members (1 s.d 4)	13,984	66.30
Family members (5 s.d 8)	6,942	32.91
Family members (>= 9)	166	0.79
Family Lives in Village	11,758	55.75
Male head of Family	17,266	81.86
Age of the head of the Family <21 tahun	63	0.30
Age of the head of the Family 21-40 tahun	6,321	29.98
Age of the head of the Family 41-60 tahun	10,481	49.70
Age of the head of the Family >60 tahun	4,227	20.02

Table 2. Final Education Sample of Family Heads in North Sumatra Province in 2022

Last Education of Head of Family	Number of Families	Persen	Cumulative Percent
Does not have an elementary school diploma	2,683	13.14	13.14
Elementary School	4,569	22.38	35.52
Junior High School	3,585	17.56	53.08
High School	7,630	37.37	90.45
Diploma	426	2.09	92.54
S1	1,423	6.97	99.51
Profesi	5	0.02	99.53
S2	89	0.44	99.97
S3	7	0.03	100
Total	20,417	100	

Source: National Social and Economic Survey Data, March 2022 (processed)

Table.3. Business Status of Heads of Families in North Sumatra Province

Head of Family Business Status	Number of Family	Percent	Cumulative Percent
Family or Unpaid Workers	330	1.74	1.74

Trying to be assisted by temporary workers/unpaid workers	4,238	22.33	24.07
Trying to be assisted by permanent workers/paid workers	930	4.9	28.97
Laborers/employees/employees	6,385	33.64	62.61
Free Labor	1,285	6.77	69.38
Try Yourself	5,813	30.63	100
Total	18,981	100	

Sumber: Data Survey Sosial dan Ekonomi Nasional, Maret 2022 (diolah)

4. Discussion

From Table 1, the number of heads of poor families sampled in North Sumatra Province is 3.57% of the number of poor families in North Sumatra Province, and the majority have family members of 1-4 people. In general, around 55.75% of poor families live in villages and 81.86% of family heads are men and the majority are aged 41 – 60 years. In contrast to North Sulawesi Province, according to Wijayanto, 2022, the number of poor people in North Sulawesi in 2021 is 196.35 thousand people. As many as 27.35 percent of them are the millennial generation group. This figure exceeds the proportion of the millennial population in North Sulawesi of 24.63 percent. This means that there is a poverty problem among the millennial population in North Sulawesi. Meanwhile, the proportion of the millennial generation as a population of productive age is 38.38 percent. This proportion is almost the same as the proportion of the generation X group of 38.61 percent. According to Wijayanto A.T. 2022, From Table 2 it is explained that the education of the heads of families in North Sumatra Province is mostly at the high school level, while Table 3 explains that the business ownership of the heads of families is that the majority are workers/casual labourers. The results of the 2020 Population Census state that the second and third largest proportions of the population are the Millennial Generation and Generation X. The proportion of the Millennial generation is 24.63 percent of the total population and generation The Millennial Generation and Generation Previous research by Fajri (2019) provided the same conclusion where millennial generation workers prefer jobs with clear career paths. Clarity and regularity of career paths are usually found in the formal employment sector. However, on the contrary, for millennial heads of households in poor households, less than half (42.73 percent) fall into the formal economy sector. Meanwhile, employment data released by BPS states that the population of North Sulawesi working in formal activities in February 2021 was 37.18 percent, while in August 2021 it was 39.30 percent. Apart from that, there are unique characteristics of this group of millennial household heads, where heads of households whose work status is self-employed occupy the smallest percentage among other generational groups, both in the poor millennial household group and the millennial household group in general. This is caused because there is still a lack of business capital among millennials in North Sulawesi. Millennial generation in general in North Sulawesi, the proportion of heads of households with high school education occupies the highest portion in North Sulawesi (41

percent). Meanwhile, in the millennial generation group in poor households, it is actually the head of the household with a junior high school education who occupies the highest position (55.15 percent). This phenomenon reflects that millennial generation heads of households in the poor household group are still trapped in the cycle of poor households.

Conclusion

The majority of poor people in Sumatra Province have family members, namely around 1 to 4 people, and the majority of these poor people live in villages. The head of the family's highest level of education has reached Senior High School (SMA). The business status of the majority of family heads is freelance. If viewed from a macroeconomic perspective, the number of poor people in North Sumatra is 11.72%, the average length of school is 8.84 years, GRDP per Capita is 28.80 million. Government expenditure for social functions is 16.7 billion, the Gini index or inequality index is 0.29 and the open unemployment rate is 5.09%.

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