Tourism and Absorption of The Labor Force in Indonesia: A Strategy for Development

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Abstract. The poor quality of labor causes low productivity and competitiveness. The objective of this study was to mediate the effect of labor absorption on economic growth in the tourism area of Lombok island. This study used the total population of the Lombok island community in three popular destinations to date among others are Senggigi Beach, Kuta Beach Lombok, and Gili Trawangan Beach with a total of 275.267 respondents. This study used random sampling because the total population is more than 100 respondents. The result found that direct or indirect effects in mediating labor absorption towards economic growth in the tourism area of Lombok island are great. Other results showed a strong indicator in each variable that affects labor absorption towards economic growth in the tourism area of Lombok island namely having the skills and fair business competition

Keywords. Labor Absorption, Economic Growth, Tourism, Development.

1 Introduction

Tourism is various kinds of tourism activities and is supported by various facilities and infrastructures provided by the community, the private sector, and the local government [1]. Thus, the development of tourism continues to be improved and developed to increase foreign exchange earnings, to equalize business opportunities and employment, encourage regional development, improve the welfare and prosperity of the people, enrich national culture and maintain national personality, including the maintenance of religious values.

Based on its development, tourism will have a positive impact on each country that develops it. Nowadays, there are a lot of countries that make the tourism industry as one of the mainstays in generating foreign exchange due to the history of the decline in commodity trade, tourism continues to show an increasing trend. Therefore, the tourism sector in

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Indonesia is a growing and developing industrial sector. In terms of national economic life, the development of tourism will have many positive impacts including the emergence of small industries that will bring prosperity to the people so they can lift the Indonesian nation in a higher political, social, economic, and cultural life [2].

For that reason, Indonesia must look at tourism trends in 2020, where world travel will reach 1.6 billion people and among them, 438 million people will visit the Asia Pacific region and 100 million people will visit China. Looking at the large number of tourists, Indonesia can offer its tourism attraction to bring the tourists to seize the tourism market share. Hence, it needs cooperation among the local community, entrepreneurs (investors), travel agents, and local governments in an integrated manner to make the maximum effort to develop tourism potential that consider the advantages and benefits of many people.

Tourism in Lombok Island is currently starting to improve from the north, middle to south sides. The purpose is to attract tourists, bring prosperity to the community, develop regional potential, and support economic growth. Tourism in this area includes various aspects namely facilities and infrastructure, such as hotels, travel, restaurants, representative airports, tourist objects and attractions, such as natural beauty, cultural attractions, and the diversity of flora and fauna. All of this is a potential that can be utilized to support the development of tourism and economic growth. Theoretically, stated that the longer the tourists stay in a tourist destination, the more money is spent in the tourist destination, at least for eating, drinking and lodging while staying in the area [3].

Economic growth always involves human resources as one of the agents of population growth, hence the population in a country is a major element in economic growth. The large population does not always guarantee the success of economic growth and even it can be a burden for the sustainability of economic growth. A large number of population and a disproportionate number of the availability of employment will cause some of the working-age population unemployed [4].

The increase in the wage level of labor further influences the increase in capital risk on the workforce so that there is a decrease in labor demand. As a result, some problems arise such as unemployment and income inequality. In short, economic growth tends to reduce the problem of poverty and income distribution only in the initial stages of development, then in the later stages, it will be the opposite [5].

Stated that the goals to be achieved by economic policymakers are low inflation and low unemployment at the same time, but often these two goals are conflicting [6]. According to him, there was a trade-off between inflation and unemployment. When it needs high output, it means that unemployment will be lower, because companies need more labor when they producing more. Conversely, the motive to increase the amount of output is driven by high demand, which also means that the price level is relatively high from the previous year (inflation). Thus, policymakers' actions to increase aggregate demand in the short term will reduce unemployment, but inflation increases. Conversely, a decrease in aggregate demand will increase unemployment, and inflation will decrease [7].

One of the tourism areas that are currently in the spotlight is the Mandalika Special Economic Zone (SEZ), which is expected to add a very large program and have an impact on economic growth namely open new job opportunities from the sports arena, entertainment, restaurants, homestays, hotels, and employees who work in the Mandalika Special Economic Zone so that it will provide benefits to increase employment for the people on Lombok island. Furthermore, it can also reduce unemployment and can create new business activities such as increasing the number of travel agents that can absorb labor directly or indirectly.

For the most popular marine tourism in the province of West Nusa Tenggara (NTB) are Senggigi and Gili Trawangan, where the district is a tourist destination in NTB. This area is the "second Bali" in Indonesia. There are lots of local and foreign tourists who come to this place. One of the most famous areas with beautiful beaches is Senggigi Beach and Gili

Trawangan, a beach that offers the charm of large waves that have a length of 200 meters with a height of 4-5 meters making this beach as a place of interest for surfers from various countries, especially from America, Europe, and Australia [8].

2 Methodology

The types of the data used by the researcher about employment for economic growth were primary and secondary data [9]. Explains primary data, "Primary sources are data sources that directly provide data to data collectors".

This research used primary data because the researcher collects the required data directly from the first object to be examined. After the data was collected, the data would be processed. Thus, it will become information for researchers about the state of the research object. The primary data in this research were the results of observations and interviews [10].

States, "Secondary sources are sources that do not directly provide data to data collectors" [9]. This research also used secondary data because researchers collected information from data that has been processed by other parties, such as information about problems of the Lombok island.

3 Result and Discussion

The aim of this research is to mediate the effect of empoyment toward economic growth in the tourism area of Lombok Island. Through a sample of 100 respondents proportionally distributed in the area of Lombok Island, research instruments in the form of questionnaires with statement items arranged on a Likert scale of degree 5 were used to determine the opinions of respondents.

In the following section, the structural model is displayed, in which in Table 1, the relationship between the latent variables and indicators is presented. Table 2 presents the path coefficient values on the relationship between the latent variables.

The relationship between the latent variables and indicators
The following Table 1 presents the results of the loading factor of the regression for each indicator.

Table 1. Loading factor values of the regression for each indicator

Variable	Indicator	Original sample	Standard Deviation	T-statistic	P-value
Employment (X)	X_{11}: Having skills	0.869	0.054	16.073	0.000
	X_{12}: Educated	0.788	0.077	10.193	0.000
	X_{13}: Trained	0.784	0.074	10.659	0.000
Economic Growth (Y)	Y_{11}: Reducing poverty	0.848	0.033	25.863	0.000
	Y_{12}: Reducing unemployment	0.836	0.042	19.779	0.000
	Y_{13}: Fair business competition	0.888	0.044	20.100	0.000

Source: Researchers' data (processed)

Table 1 shows the relationship between the indicator and each latent variable. All indicators have a p-value of less or less than 0.05. This indicates that each indicator has a relationship with each latent variable with a high level of significance.

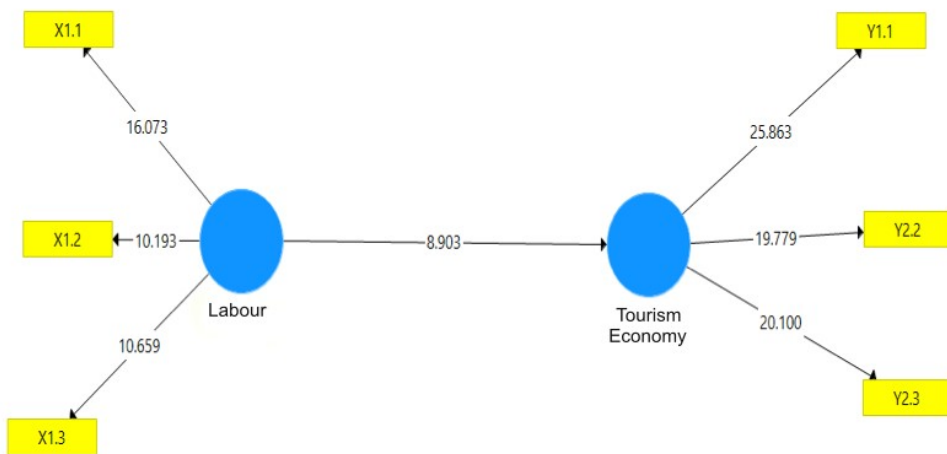*The relationship between the latent variables*
The following Table 2 presents the results of the path coefficient values on the relationship between the latent variables.

Table 2. Path coefficient values on the relationship between the latent variables

Causal Relationship	Sample Mean	Standard Deviation	T Statistic	P value
Employment → Economic growth	0.687	0.076	8.903 **	**0.000**

Note: **: significant at the test level of 5 percent

Table 2 shows that the T value is statistically significant, meaning that there is a direct influence of employment on economic growth in the tourism area of Lombok Island. In the structural equation model, the direct influence of a variable on other variables can be seen in each path coefficient on the model of the causal relationship established in Figure 1 below.

Figure 1. Research Operational Model and Regression Coefficient

4 Conclusion

Based on this study, it can be concluded that the higher the employment, the better the economic growth in the tourism area of Lombok Island and it supports the improvement of sustainable tourism development on Lombok Island. By being mediated by the employment variable, the economic growth variable can be considered significant. This shows that employment is very synergistic, both with the private sector and government in tourism development on Lombok Island.

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