

Kusumah, 2017

Volume 3 Issue 3, pp. 252-257

Date of Publication: 1st December 2017

DOI-<https://dx.doi.org/10.20319/pijss.2017.33.252257>

This Paper Can Be Cited as: Kusumah, E. (2017). Economic Condition of Post Tin Mining (Case Study on Bangka Belitung Island as One of the Largest Tin Producers in the World). PEOPLE: International Journal of Social Sciences, 3(3), 252-257.

This work is licensed under the Creative Commons Attribution-Non-commercial 4.0 International License. To view a copy of this license, visit <http://creativecommons.org/licenses/by-nc/4.0/> or send a letter to Creative Commons, PO Box 1866, Mountain View, CA 94042, USA.

ECONOMIC CONDITION OF POST TIN MINING (CASE STUDY ON BANGKA BELITUNG ISLAND AS ONE OF THE LARGEST TIN PRODUCERS IN THE WORLD)

Echo Perdana Kusumah

Departement of Management, Faculty of Economic, University of Bangka Belitung, Indonesia
[*echo_perdana@ubb.ac.id*](mailto:echo_perdana@ubb.ac.id)

Abstract

This study aims to determine the effect of economic conditions of the Bangka Belitung island on the level of public purchasing power and the active role of local government policy when the natural resources of tin that can be produced by the public is very minimal. Along with the passage of time, the economic growth of Bangka Belitung has decreased even though there is still non-tin potential in the form of plantation and fishery. The research instrument in the form of questionnaires was used to 40 respondents. The data analysis used is the analysis of frequency descriptive and factor analysis to process the data that have been collected. The result of data analysis shows that the variable of public purchasing power and active role of dominant government have medium category (57,5% and 52,5%) whereas factor of public purchasing power and active role of society have value 67,593% in explaining economic condition of post tin mining.

Keywords

Economic Condition, Purchasing Power, Government Policy

1. Introduction

The main contributor of Gross Domestic Gross (GDP) of Bangka Belitung Islands Province (Babel) comes from tin industry processing industries. During 2016, the tin processing industry generated added value of Rp 13.06 trillion (BPS Babel, 2016; Bank Indonesia, 2016). In the past five years, the contribution of the tin processing industry has declined compared to previous years. This is driven by the application of Permendag No. 33 of 2015 set, private tin companies and state-owned companies agreed to restrict export quotas (Sistem Rujukan Statistik BPS RI, 2016). As a result tin cumulative production of tin has contracted.

Apart from tin as the main contributor of GDP, the second largest contributor is agriculture, forestry and fishery with an added value of Rp 13.02 trillion (BPS Babel, 2016). The second largest contribution is increased from previous years due to the quota of tin exports. The economic growth of the Bangka Belitung Islands Province is slowing down due to the decline of the main economic sector in the form of tin that can affect other sectors such as large trade, wholesale and retail (see graphic 1.1). Theoretically in general that the decline in GDP has a negative effect on the purchasing power of consumers so as to increase demand for the company's products.

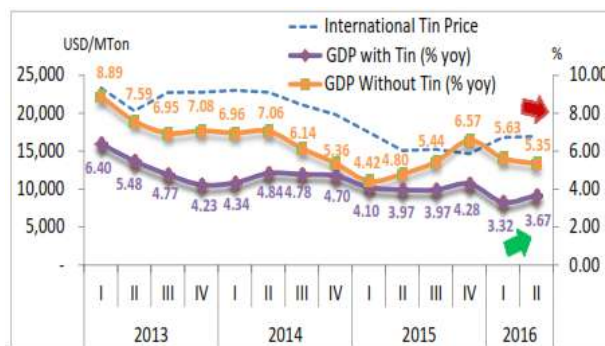


Figure 1: GDP Bangka Belitung with Tin and without Tin

Bangka Belitung economic growth is projected in the future will increase along with the impact of the central government's policy package in providing convenience in the investment climate. From the above explanation, this research will determine the effect of economic condition of post tin mining in Bangka Belitung province which has started to decrease every year based on the factor of public purchasing power and active role of local government policy.

2. Literature Review

2.1 Purchasing Power

Purchasing power is the value of the currency expressed in the amount of goods or services that can be purchased by a unit of money (Investopedia, 2016). Purchasing power can also be defined as the ability of people to spend their money in the form of goods or services (BPS, 2016).

2.2 Government Policy

Government policy is a complex dependency pattern of interdependent collective choices, including decisions for inaction, made by agencies or government offices (Dunn, 2003). An action that leads to the objectives proposed by a person, group or government in a particular environment in relation to the presence of certain constraints while looking for opportunities to achieve the goal / realize the desired goal (Tangkilisan, 2003).

3. Research Methods

Sampling technique using Non-Probability Sampling method, which is sample determination technique that does not give equal opportunity/opportunity for every element (member) of population to be selected become member of sample (Ghozali, 2016; Ferdinand, 2014). In addition, the technique chosen in Non- Probability Sampling is the Incidental Sampling, which according to Sugiyono (2014), is a technique of determining samples by chance, anyone who accidentally/incidentally meets the author can be used to be a sample. In this study questionnaires distributed to some public and students who are in the area Pangkalpinang. A source of data used in this study is Primary Data, data obtained from research in the field of the source of the respondents, which is the result of the questionnaire. Data analysis techniques will be processed and analyzed by using the software program SPSS 22.0 for Windows. The analysis to be used is the analysis of factors in which the analysis can show variables or factors that have a certain relationship pattern in a group of variables (Sulistyo, 2012).

4. Results

In descriptive analysis obtained from the questionnaire with three categories (low, medium and high) answered by the respondents can be seen in tables 1 and 2 and factor analysis can be seen in tables 1.3 and 1.4.

Tabel 1: Descriptive Analysis of People's Purchasing Power

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	low	17	42,5	42,5	42,5
	moderate	23	57,5	57,5	100,0
	Total	40	100,0	100,0	

Tabel 2: Descriptive Analysis of the Government's Active Role

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	low	18	45,0	45,0	37,1
	moderate	21	52,5	52,5	97,1
	high	1	2,5	2,5	100,0
	Total	40	100,0	100,0	

Based on table 1 above can be seen that the level of public purchasing power is more moderate category (57.5%) and low (42.5%), while the respondent answers with high category does not exist at all. In table 2 it can be seen that the active role of government is more moderate category (52.5%), followed by low category (45%) and high (2.5%).

Tabel 3: Factor Analysis (KMO and Bartlett's Test)

Kaiser-Meyer-Olkin Measure of Sampling Adequacy.		,500
Bartlett's Test of Sphericity	Approx. Chi-Square	4,956
	df	1
	Sig.	,026

The results of the study In Table 3 shows that the Kaiser-Meyer-Olkin Measure of Sampling Adequacy (KMO-MSA) value of 0.500 and the significance value of Bartlett's Test of Sphericity of 0.026 (<0.05) is considered sufficient to analyze subsequent data.

Tabel 4: Factor Analysis (Total Variance Explained and Component Matrix)

Component	Initial Eigenvalues			Extraction Sums of Squared Loadings		
	Total	% of Variance	Cumulative %	Total	% of Variance	Cumulative %
1	1,352	67,593	67,593	1,352	67,593	67,593
2	,648	32,407	100,000			
Extraction Method: Principal Component Analysis.						

	Component
	1
Purchasing Power	,822
Government Role	,822

Extraction Method: Principal Component Analysis.
--

a. 1 components extracted.

Based on the above table the variable purchasing power and the government role has the same matrix component value of 0.822 so as to explain the economic condition of the Bangka Belitung island of 67.593%, while the rest is in other factors not explained in this study.

5. Conclusion

From the result of descriptive analysis on the variable of public purchasing power and the active role of government towards 40 respondents in Pangkalpinang City as provincial capital of Bangka Belitung island has the dominant answer in medium category or moderate, although low category almost equal to medium category answer. While the high categorical answers are not present at all in purchasing power variables and in the government's active role variables there is only one person who answers high. From the result of factor analysis, it is found that the variable of public purchasing power and the active role of society is 67,593%, so it can be believed that the variables studied have a big influence in giving description of economic condition of Bangka Belitung island province in the post-tin mining period.

The answer can reflect the symptoms of the economic condition of the community who are not ready to face the post-tin situation that occurred. Gradually the economic condition of the island province of Bangka Belitung will decrease if not accompanied by new breakthrough to manage non-tin sector such as plantation, fishery and tourism. The non-tin sector can provide even more income than the revenue of the tin sector if the local government's active role in providing adequate knowledge and infrastructure for the community.

References

- Bank Indonesia. (2016). *Buku Kajian Ekonomi dan Keuangan Regional ini diterbitkan oleh Kantor Perwakilan Bank Indonesia Provinsi Kepulauan Bangka Belitung* (Agustus). Pangkalpinang, Bangka Belitung: Bank Indonesia.
- BPS. (2016). *Potret Perekonomian Makro Provinsi Kepulauan Bangka Belitung*. Pangkalpinang, Bangka Belitung: Badan Pusat Statistik.
- Dunn, W. N. (2003). *Analisis Kebijakan Publik*. Yogyakarta: Gadjah Mada University Press.
- Ferdinand, A. (2014). *Metode Penelitian Manajemen* (5th ed., Pustaka Kunci). Semarang: Badan Penerbit Universitas Diponegoro.

- Ghozali, I. (2016). *Aplikasi Analisis Multivariate Dengan Program SPSS 23* (8th ed.). Semarang: Badan Penerbit Universitas Diponegoro.
- Investopedia. (2016, November 23). *Purchasing Power*. Retrieved October 28, 2016, from <http://www.investopedia.com/terms/p/purchasingpower.asp>
- Sistem Rujukan Statistik BPS RI. (n.d.). Retrieved October 28, 2016, from <https://sirusa.bps.go.id/index.php?r=indikator%2Fview&id=27>
- Sugiyono. (2014). *Metode Penelitian Manajemen*. Bandung: Alfabeta.
- Sulistyo. (2010). *6 Hari Jago SPSS*. Yogyakarta: Cakrawala.
- Tangkilisan, H. N. (2003). *Implementasi Kebijakan Publik*. Yogyakarta: Lukman Offset YPAPI.