

Analysis of Affecting Factors of Community Income Levels around Steam Power Plant (PLTU) Paiton

(Case Study in Binor Village, Paiton Subdistrict, Probolinggo Regency, Indonesia)

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Abstract: The purpose of this research is to determine the effect on education variables, length of work (work experience), and gender on the level of income of the community around the Steam Power Plant (PLTU) Binor in Paiton Subdistrict, Probolinggo Regency, to determine the variables that had the most dominant influence on the income level of the surrounding community PLTU Binor in Paiton Subdistrict, Probolinggo Regency. The type of this research is a quantitative research. The analysis method that uses in this research is multiple linear regression. The sampling method in this research is simple random sampling technique. The samples that uses in this research amounting to 90 respondents. The results of this research showed that the education variables, length of work (work experience), and gender have a positive and significant effect on the income levels of the community around the PLTU Binor in Paiton Subdistrict, Probolinggo Regency. The most dominant variable influencing the income level of the community around PLTU Binor, Paiton Subdistrict, Probolinggo Regency is an education variable.

Keywords: Education; Length of Work; Gender; Income Levels

JEL Classification: I20, J22, J16, D33

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INTRODUCTION

Industrial development is one way to improve the quality of life and meet various human needs. Industrial development can create new jobs so that employment opportunities for the surrounding community are open and have an impact on the community economy which is characterized by increased income and community welfare. Development is a process of change in a better direction, which can make a difference from the previous situation. Development can be conceptualized into a process of improvement that can prosper a society as a whole towards a better life, especially in developing countries including Indonesia (Iryanti, 2003). The existence of industry or a company in each region will bring changes to the lives of the surrounding community. Where changes in life are a result of increasing economic activity from communities around the industry.

The construction of Steam Power Plant (PLTU) Paiton, Probolinggo Regency. PLTU Paiton is an electric power center that was established by the government with the help of investors or foreign capital and private companies that have the aim to meet the electricity needs in Java and Bali, which became the beginning of the emergence of a change of balance in a system of villagers in Binor. This can be seen from the initial information stating that the location of the Paiton PLTU was once a hamlet in Binor Village called Sumber Gelatik. However, since the 1980s the government has shifted the function of settlements to industrial estates by paying compensation, so that many residents who began leaving their jobs as farm laborers, fishermen, and others became laborers at the PLTU Paiton. These changes are made to try to get good luck earning more results that are useful for fulfilling life's needs.

The presence of this Steam Power Plant makes the process of industrialization around it unavoidable. The industry at present is not only a hope for development for the nation but also hopes for many people because the community considers that the industrial sector is more profitable than other sectors, especially agriculture. The existence of industries around the community will lead to various fields of environmental problems, besides that, directly or indirectly will affect the economy of the community around the industrial environment.

LITERATURE STUDY

Industrialization

Industrialization according to Yuswadi (2007) is a process to make the community become a skilled, intelligent, agile, innovative, active, hard work, resilient and rational society. As a process, measures whether a society has reached the stage of an ideal industrial society would be difficult to determine because the size of its development becomes very relative

Income

According to Bintarto (1976), income is a measure that might be considered suitable for assessing one's wealth or measuring one's economy. A person's income can be a benchmark for the level of community wealth. So that with more than enough income obtained by a particular sector, it may no longer require the community to work hard in increasing income from other business sectors. Here can be said by the transfer of someone from sector one (agrarian) to another sector (industrial) means economically, a person's income can change, can increase or can also decrease. The main purpose of

running a business is to obtain income, where the income can be used to meet the needs of life and survival.

Education

Education according to Idris (2014) is part of the socio-economic conditions that in relation to socio-cultural and economic changes, education as part of socio-culture also influences the socio-cultural and economic changes of society. The existence of industry in the community besides increasing the mindset of the community will also support the improvement of educational facilities and infrastructure in the area.

Duration of Working Period (Work Experience)

Kreitnet and Kinicki in Pitma (2015) state that a long working period will tend to make an employee feel more at home in an organization, this is because it has adapted to its environment long enough so that an employee will feel comfortable with his job. Other causes are also due to the policy of agencies or companies regarding the guarantee of life in old age

Gender

According to Amron and Taufiq (2009), universally, the level of productivity of men is higher than that of women. This is caused by factors that are owned by women such as physically less strong, in jobs that use feelings or biological factors such as having to take compile leave. Gender factors determine the level of participation and productivity of a person at work. Labor basically cannot be distinguished by sex. But generally men will be more productive for jobs that rely on physical strength

RESEARCH METHOD

Research Design

This research uses an explanatory research that tries to explain a problem and there is a hypothesis test of data obtained (Sumarni and Wahyuni, 2006). Figure 1 shows the conceptual framework of this study.

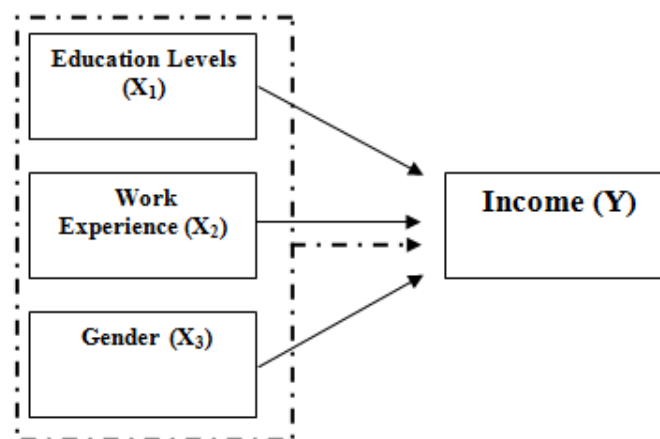


Figure 1. Conceptual Framework of Research

Population and Sample

The population of this study were all society in Binor Village amounting 905 respondent. The sampling method in this research is simple random sampling technique. The samples that uses in this research amounting to 90 respondents.

Data Analysis Methods

This research uses multiple regression analysis to analyze casual relationships between independent variable and dependent variable.

RESULT AND DISCUSSION

The Effect of Education on Income Levels

Educational variable has a positive and a significant effect on income levels with a regression coefficient of 0.427 or 42.7% and a significance value of 0.00 or 0%. This result showed that the higher education, then the level of income of the society around the PLTU will increase by 42.7%. It is concluded that the society of Binor Village, which is the society around the PLTU Paiton has an education level with a percentage below the average of 36% SD and SMP, while the percentage above average 64% already have a high level of education, namely: High School, Diploma, and Bachelor.

The Effect of Work Experience on Income Levels

The length of work (work experience) has a positive effect but does not has a significant influence on the income levels of the society around the PLTU Paiton, with a regression coefficient of 0.027 or 2.7% and a significance value of 0.789 or 78.9%. This result can be supported why the results are not significant to the level of income because the majority of the people who work in the PLTU payroll use UMK and the average contracted employee.

The Effect of Gender on Income Levels

The gender variable has a negative influence and does not has significantly influence the income level of the people around the PLTU Paiton, with the results of the regression coefficient of -223501,050, from the probability value of 0.468 with a significance value greater than 0.01 ($0.468 \geq 0,01$). It means, there is no effect of gender variables on the levels of income of the society around the PLTU Paiton. This result can be supported by the number of six percentages. It was concluded that the number of household head respondents in this study who worked were mostly male with a percentage of 95.5%, and with a percentage of 4.5% female sex.

CONCLUSION

The education variables, length of work (work experience), and gender have a positive and significant effect on the income levels of the community around the PLTU Binor in Paiton Subdistrict, Probolinggo Regency. The most dominant variable influencing the income level of the community around PLTU Binor, Paiton Subdistrict, Probolinggo Regency is an education variable.

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