

# Relationship Analysis Between Unemployment and Poverty in 33 Provinces In Indonesia

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**Abstract:** Poverty is one of many central issues for every country in the world, especially for developing countries. This study aims to: (i). Analyzing the effect of Wage Rate, GRDP Growth, and Inflation on the Unemployment rate; (ii). Analyzing the effect of Subsidies, GRDP, and the Human Development Index on the Poverty Level; and (iii). Analyze the causality relationship between unemployment and poverty. The method used in this research is a quantitative method with a static panel regression approach. Data were collected from 33 provinces in Indonesia in the period 2012-2018.

The research found that: (i). Wage Rate & GRDP Growth has a negative and significant effect, while inflation does not have a significant effect on the unemployment rate; (ii). The level of subsidies has a negative and significant effect on the Poverty Level, the Human Development Index has a positive and significant effect on the Poverty Level and GRDP has no significant effect on the Poverty Level; (iii). The results of the causality granger test generate proven there is no connection to each other between unemployment with poverty in all provinces. Only in the provinces of Lampung, Riau Islands, Yogyakarta, Banten, and Central Sulawesi, there are connections in one direction which is poverty influences unemployment. As well as results also show there is a connection in one direction that is unemployment influencing poverty in the Provinces of Bangka Belitung, Bali, and East Kalimantan.

When unemployment increases, poverty will increase. To reduce the level of poverty, the unemployment rate must also be lowered. Reducing the poverty rate will be successful if employment can absorb the existing workforce, especially in labor-intensive sectors and spread to every income group, including among the poor and need to improve quality.

**Keywords:** Unemployment, Poverty, Wages, GRDP, Subsidies, HDI, Panel Data

## Introduction

Employment is one of the important issues in the economic sector of a country. The issue of labor is often an issue that is carried out in the competition for the election of heads of government. Therefore, the large number of workers absorbed and the low unemployment rate are considered to be achievements in a country (Ihsan, 2018). The latest policy related to employment is Law Number 11 of 2020 concerning Job Creation. Several articles previously regulated in Law Number 13 of 2003 concerning manpower, underwent changes. The policies carried out by the Central Government are basically in line with the targets to be achieved by the Sustainable Development Goals (SDGs) program. The SDGs are a sustainable development program initiated by the United Nations, where there are 17 goals with 169 measurable targets that must be achieved by 2030 (Bebington & Jeffrey, 2018).

One of the important SDGs agendas is achieving economic growth and decent work. This is in line with the Indonesian government's program in the employment sector, which aims to provide jobs and prepare human resources to enter the workforce. By achieving job creation and reducing unemployment, a reduction in the poverty rate will be achieved (Harlik&Hardiani, 2013). But on the contrary, if it is not achieved, unemployment will be created, then people's income will be low, and this will lead to the creation of low savings. With low savings, the purchase of capital goods will be low, which in turn will lead to low investment. Low investment causes low job

creation and low employment. So, the demand for goods and services becomes less and, in the end, there is a decrease in income (Kuncoro, 2010). The following table is about statistical data on the rate of economic growth, the ratio of the poverty rate, and the unemployment rate from 2006 to 2018.

**Table 1. Statistical Data of Economic Growth, Poverty, and Unemployment**

Year	Economic Growth (%)	Relative Poverty Ratio (%)	Unemployment (%tage of Labor Force)
2006	5.50	17.8	10.3
2007	6.34	16.6	9.1
2008	6.01	15.4	8.4
2009	4.63	14.2	7.9
2010	6.22	13.3	7.1
2011	6.17	12.5	6.6
2012	6.03	12.1	6.1
2013	5.56	11.4	6.2
2014	5.01	11.3	5.9
2015	4.88	11.2	6.2
2016	5.03	10.9	5.6
2017	5.07	10.1	5.5
2018	5.06	9.73	5.1
2019	5.02	9.32	5.2
2020*	2.97*	9.98*	7.1*

Source: Statistical Central Bureau (2021); 2020\*

Table 1.1. above shows that Indonesia's economic growth from 2006 to 2020 is on average above 5 % per year. Only in 2015 there was a situation where Indonesia's economic growth was 4.88 %. This high economic growth reflects the ongoing development in Indonesia. In terms of employment, there is a tendency to decrease the unemployment rate ratio, from 10.3 % in 2006 and then down to 5.1 % in 2018. However, in nominal terms, this unemployment rate is still a large number. Likewise, the poverty ratio, where there is a tendency to decline from 17.8 in 2006 to 10.1 in 2017. However, this poverty rate is still high number in Indonesia (BPS, 2018; BPS 2021).

Based on the above background, this study aims to measure the effect of Wages, GRDP Growth, and Inflation on Unemployment, as well as the effect of Subsidies, GRDP, and the Human Development Index on Poverty, and explains the causal relationship of Poverty and unemployment in 33 Provinces in Indonesia.

### Literature Review

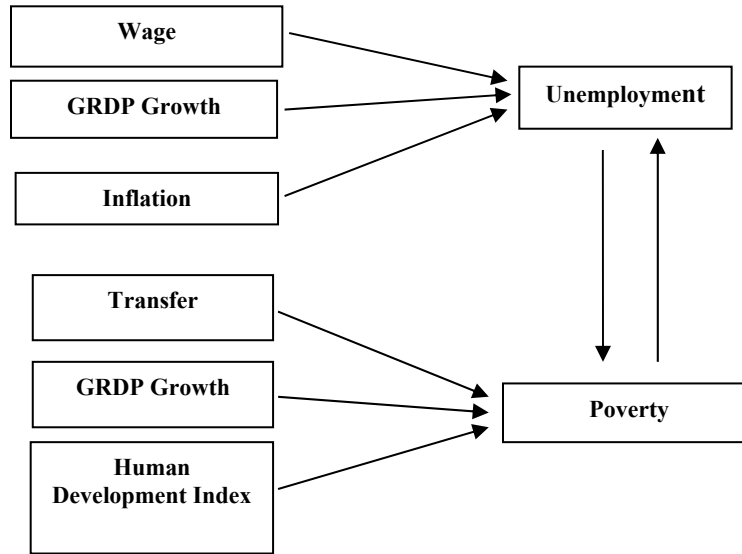
As explained above, there is a close relationship between unemployment and the number of poor people. For most of them, who do not have a permanent job or only work part-time, are always among the very poor community groups (Arsyad, 2010). Human needs are many and varied, requiring them to fulfill them, and of course, the usual thing to do is work to earn an income. Research conducted by Cristescu, et.al., (2013) also found that there is a causal relationship between unemployment and poverty in European Union countries. This is in line with research conducted by Quy (2016), Muhammad & Joseph (2018), Ukpere& Andre (2009), Harlik&Hardiani (2013), and Boateng (2015). As well as another finding from these studies is that the wage level has an effect on unemployment. This finding is supported by studies: Gupta, et.al., (2019), Pratomo (2016), Yamada (2016), Wang & Morley (2018); Wang & Kenneth (2018), Repetti& Susan (2018), and Ford & Michael (2017).

Economou &Iacovos (2016) in their research in European countries state that Gross Domestic Product growth also negatively affects unemployment. This is also supported by research conducted by Tsaliki (2008), and Amrial, et.al., (2019). On the other hand, Gerlach, et.al., (2015), in their research, concluded that inflation is another factor that affects unemployment. This is supported by research: Amalia (2014), Irpan, et.al., (2016), Rasid&Haq (2016), and Zuhdiyaty(2017)).

Cristescu, et.al., (2013) also explains that there is an influence between the labor market, standard of living, and socio-economic variables (namely labor taxes, social benefits, GDP growth and labor rates) on the poverty level. This study also concludes that social transfers also affect poverty. This is supported by Ranganathan (2017), Zulkhibri (2016), and Yusuf (2018). In terms of the impact of GDP growth on poverty, the supporting studies include: Quy (2016), Chotia& Rao (2017), Ginting&Galuh (2013), and Zudiyati& David (2017). For the significant negative impact of HDI on poverty, this condition was found by Pratama (2014) and Amalia (2014).

Based on the description above, the framework of this research can be described as shown in Figure 1.

**Figure 1 Research Framework**



Source: author

**Research Methodology**

This study aims to analyze Labor Wages, GRDP Growth, and Inflation on Unemployment and see the effect of subsidies, GRDP, and the Human Development Index on Poverty in 33 provinces in Indonesia and to analyze the causal relationship between Unemployment and Poverty in Indonesia during the period 2012-2018. The data used in this study is panel data from 2012-2018 regarding data on unemployment, labor wages, GRDP growth, inflation, subsidies, GRDP, HDI, and poverty in 33 provinces in Indonesia. Panel data analysis was used to estimate parameters, which consider three types of estimation techniques, namely: Common Effect Model, Fixed Effect model, and Random Effect model. To select the panel model, there are 3 (three) tests that need to be carried out (Gujarati& Porter, 2012) namely the Chow Test (conducted to select the model whether the Pooled Least Squared and Fixed Effect models will be selected); the LM test (used to choose between Pooled Least Squared or Random Effect); and Hausman Test (used to determine the best model between Fixed Effect and Random Effect).

A path model was developed using econometric analysis, namely Simultaneous Equations Models because the variables studied were related to each other. In this study, 3 substructure equations will be arranged, namely:

1. First Substructure Equation: Unemployment Rate Equation  
In the first substructure equation, there are three exogenous variables, namely Labor Wages ( $X_{1it}$ ), GRDP Growth ( $X_{2it}$ ), and Inflation ( $X_{3it}$ ).

$$Y_{1it} = \beta_0 + \beta_1 \cdot X_{1it} + \beta_2 \cdot X_{2it} + \beta_3 \cdot X_{3it} + \epsilon_1$$

2. Second Substructure Equation: Poverty Equation  
In the second substructure equation, there are three predetermined variables, namely, Subsidies ( $X_{1it}$ ), GRDP Growth ( $X_{2it}$ ), and the Human Development Index ( $X_{3it}$ ).

$$Y_{2it} = \beta_0 + \beta_1 \cdot X_{1it} + \beta_2 \cdot X_{2it} + \beta_3 \cdot X_{3it} + \epsilon_2$$

3. Causality Test Analysis related to seeing this causal relationship can be tested using the Granger causality test. For poverty to unemployment, where Poverty is the function of unemployment, hence the model is:

$$Pov_{it} = \gamma_0 + \gamma_1 \cdot Pov_{it} + \epsilon_1$$

For unemployment to poverty, where unemployment is the function of poverty, hence the model is:

$$Un_{it} = \phi_0 + \phi_1 \cdot Pov_{it} + \epsilon_1$$

### Research Results And Discussion

Based on the selected model after being measured by Hausmann, Chow, and LM test, the model suggested is the fixed effect model. This following regression test can be seen in the following table.

**Table 1. Regression Test for Model 1: Unemployment Model**

Dependent Variable: Unemployment				
Independent Variable	Expectation	Coefficient	Signification	Result
Wages	-	-1.115510	0.0000	H <sub>1</sub> accepted
GRDP	-	-0.034407	0.0000	H <sub>2</sub> accepted
Inflation	+	-0.050645	0.1656	H <sub>3</sub> rejected
R-squared	0.940417			
Adj.R-squared	0.931270			
F-statistic	102.8170			
ProbF-stat	0.00000			

Source: Data Processed

Table 1 shows that the adjusted R-Squared has been customized showed with a number of 0.931927 which means variation or behavior unemployment could be explained by the variation of the independent variable is Wages, GRDP growth, and inflation by 93%, the rest of 7% is variation other *independent variables* that affect calculation level unemployment but no included in model. Partially, only Wages and GRDP affect unemployment significantly. Meanwhile, Inflation affects unemployment insignificantly.

**Table 2. Regression Test for Model 2: Poverty Model**

Dependent Variable: Poverty				
Independent Variable	Expectation	Coefficient	Signification	Result
Subsidiary	-	-0.029916	0.0261	H <sub>4</sub> accepted
GRDP	-	0.006159	0.4601	H <sub>5</sub> rejected
IPM	-	-0.369891	0.0000	H <sub>6</sub> accepted
R-squared	0.989896			
Adj. R-squared	0.988345			
F-statistic	638.1945			
ProbF-stat	0.00000			

Source: Data Processed

Table 2 shows that the adjusted R-Squared has been customized showed with a number of 0.988345 which means variation or behavior poverty could be explained by the variation of the independent variable is Subsidiary, GRDP growth, and IPM by 98%, the rest of 2% is variation other independent variables that affect calculation level poverty but not included in the model. Partially, only Subsidiaries and IPM affect poverty significantly. Meanwhile, GRDP affects poverty insignificantly.

**Table 3. Causality Test Between Unemployment and Poverty (Lag1)**

Province	Model	Lag	Akaike Criterion	Conclusion	Province	Model	Lag	Akaike Criterion	Conclusion
ACEH	Unemp	1	3.342504	Lag 2	BENGKULU	Unemp	1	2.058482	Lag 2
		2	0.571783				2	1.605382	
	Poverty	1	0.900036	Lag 2		Poverty	1	2.309471	Lag 2
		2	0.378124				2	2.283516	
SUMUT	Unemp	1	2.773444	Lag 2	LAMPUNG	Unemp	1	0.662269	Lag 1
		2	2.337541				2	1.544914	
	Poverty	1	2.174992	Lag 1		Poverty	1	1.515841	Lag 2
		2	2.965379				2	0.534097	
SUMBAR	Unemp	1	2.314134	Lag 2	BABEL	Unemp	1	3.916645	Lag 2
		2	1.441087				2	0.331662	
	Poverty	1	0.197538	Lag 2		Poverty	1	0.435603	Lag 2
		2	-2.755734				2	-8.676395	
RIAU	Unemp	1	3.678967	Lag 2	KEPRI	Unemp	1	1.653090	Lag 2
		2	2.174878				2	-1.332479	
	Poverty	1	2.263117	Lag 1		Poverty	1	0.661973	Lag 1
		2	2.594551				2	1.225672	
JAMBI	Unemp	1	3.916645	Lag 2	JAKARTA	Unemp	1	3.602746	Lag 2
		2	0.331662				2	1.677944	
	Poverty	1	0.435603	Lag 2		Poverty	1	-0.167010	Lag 2
		2	-8.676395				2	-2.043591	
SUMSEL	Unemp	1	2.950513	Lag 2	JABAR	Unemp	1	1.032161	Lag 1
		2	2.471871				2	1.236600	
	Poverty	1	1.172135	Lag 2		Poverty	1	1.789023	Lag 2
		2	-0.101994				2	1.224641	

Source: Data Processed

**Table 4. Causality Test Between Unemployment and Poverty (Lag2)**

Province	Model	Lag	Akaike Criterion	Conclusion	Province	Model	Lag	Akaike Criterion	Conclusion
JATENG	Unemp	1	1.127982	Lag 2	BALI	Unemp	1	0.588198	Lag 2
		2	-0.922787				2	-0.408560	
	Poverty	1	1.311557	Lag 2		Poverty	1	2.024568	Lag 1
		2	1.162199				2	2.515591	
JOGJA	Unemp	1	1.652014	Lag 2	NTB	Unemp	1	2.738348	Lag 2
		2	-2.026844				2	0.732802	
	Poverty	1	0.565784	Lag 2		Poverty	1	0.967025	Lag 2
		2	0.433646				2	0.838014	
JATIM	Unemp	1	0.203057	Lag 2	NTT	Unemp	1	0.298509	Lag 2
		2	-3.121265				2	0.686969	

BANTEN	Poverty	1	0.789566	Lag 2	KALBAR	Poverty	1	2.994767	Lag 2
		2	-0.620126				2	1.965366	
	Unemp	1	3.482958	Lag 2	KALBAR	Unemp	1	2.109132	Lag 1
		2	-3.256529				2	2.281987	
	Poverty	1	-0.227878	Lag 2	KALBAR	Poverty	1	1.876841	Lag 2
		2	-4.429291				2	1.290402	

Source: Data Processed

**Table 5. Causality Test Between Unemployment and Poverty (Lag3)**

Province	Model	Lag	Akaike Criterion	Conclusion	Province	Model	Lag	Akaike Criterion	Conclusion
KALTENG	Unemp	1	2.358725	Lag 2	GORONTALO	Unemp	1	3.639299	Lag 2
		2	0.536126				2	0.223907	
	Poverty	1	-0.257523	Lag 2		Poverty	1	2.873321	Lag 1
		2	-3.962913				2	2.911627	
KALSEL	Unemp	1	2.409937	Lag 2	SULBAR	Unemp	1	2.323089	Lag 2
		2	0.626885				2	0.671131	
	Poverty	1	-1.103792	Lag 1		Poverty	1	-0.036830	Lag 1
		2	-2.691369				2	-0.825337	
KALTIM	Unemp	1	2.960836	Lag 2	MALUKU	Unemp	1	4.095039	Lag 1
		2	0.134318				2	4.157035	
	Poverty	1	-2.656907	Lag 2		Poverty	1	1.809485	Lag 1
		2	-6.886808				2	1.893477	
SULUT	Unemp	1	3.995821	Lag 2	MALUT	Unemp	1	1.961013	Lag 2
		2	3.944520				2	1.089668	
	Poverty	1	2.111701	Lag 1		Poverty	1	1.522609	Lag 2
		2	2.531253				2	0.497899	
SULTENG	Unemp	1	2.427378	Lag 2	PABAR	Unemp	1	3.660693	Lag 2
		2	-0.034726				2	3.594342	
	Poverty	1	1.132950	Lag 2		Poverty	1	3.376314	Lag 2
		2	1.258798				2	1.336369	
SULTRA	Unemp	1	3.458843	Lag 2	PAPUA	Unemp	1	2.043232	Lag 2
		2	3.971490				2	-1.273664	
	Poverty	1	2.709412	Lag 2		Poverty	1	3.440987	Lag 2
		2	2.324804				2	1.449207	

Source: Data Processed

To determine the test of lag length, this paper uses Akaike Info Criterion (AIC) to choose the lowest lag. Almost all provinces have AIC value at lag 1. Only provinces such as: Aceh, West Sumatra, Jambi, South Sumatra, Bengkulu, Bangka Belitung Islands, DKI Jakarta, Central Java, DI Yogyakarta, East Nusa Tenggara, West Kalimantan, Maluku, West Papua and Papua, have AIC value at lag 2. Based on that result, this data proceeds to test the Granger causality test.

**Table 6. Granger Causality Test 1**

Hypothesis									
Ho1: POVERTY does not Granger Cause UNEMPLOY Ho2: UNEMPLOY does not Granger Cause POVERTY									
Province	Hipotesa	F-stat	Prob	Result	Province	Hypothesis	F-stat	Prob	Result
ACEH	Ho1	24.0071	0.1428	Accepted	KEPRI	Ho1	18.5757	0.0125*	Rejected
	Ho2	1.46727	0.5041	Accepted		Ho2	0.05448	0.8269	Accepted

SUMBAR	Ho <sub>1</sub>	2.73922	0.3929	Accepted	JAKARTA	Ho <sub>1</sub>	2.06585	0.4414	Accepted
	Ho <sub>2</sub>	38.7922	0.1128	Accepted		Ho <sub>2</sub>	7.10082	0.2565	Accepted
RIAU	Ho <sub>1</sub>	0.24135	0.6490	Accepted	JABAR	Ho <sub>1</sub>	2.15633	0.2159	Accepted
	Ho <sub>2</sub>	0.18556	0.6888	Accepted		Ho <sub>2</sub>	0.61679	0.4762	Accepted
JAMBI	Ho <sub>1</sub>	24.0071	0.1428	Accepted	JATENG	Ho <sub>1</sub>	4.50709	0.3160	Accepted
	Ho <sub>2</sub>	1.46727	0.5041	Accepted		Ho <sub>2</sub>	1.08826	0.5611	Accepted
SUMSEL	Ho <sub>1</sub>	0.84058	0.6107	Accepted	JOGJA	Ho <sub>1</sub>	55.4808	0.0945*	Rejected
	Ho <sub>2</sub>	0.39020	0.7494	Accepted		Ho <sub>2</sub>	1.77868	0.4684	Accepted
BENG KULU	Ho <sub>1</sub>	1.41054	0.5116	Accepted	JATIM	Ho <sub>1</sub>	25.8121	0.1379	Accepted
	Ho <sub>2</sub>	0.63140	0.6648	Accepted		Ho <sub>2</sub>	2.58113	0.4028	Accepted
LAM PUNG	Ho <sub>1</sub>	21.6237	0.0097*	Rejected	BANTEN	Ho <sub>1</sub>	133.888	0.0610*	Rejected
	Ho <sub>2</sub>	0.05510	0.8259	Accepted		Ho <sub>2</sub>	6.30759	0.2710	Accepted
BABEL	Ho <sub>1</sub>	35.0774	0.1185	Accepted	BALI	Ho <sub>1</sub>	35.0774	0.1185	Accepted
	Ho <sub>2</sub>	10110.1	0.0070*	Rejected		Ho <sub>2</sub>	10110.1	0.0070*	Rejected

Source: Data Processed

Table 7. Granger Causality Test 2

Hypothesis									
Ho <sub>1</sub> : POVERTY does not Granger Cause UNEMPLOY Ho <sub>2</sub> : UNEMPLOY does not Granger Cause POVERTY									
Province	Hypothesis	F-stat	Prob	Result	Province	Hypothesis	F-stat	Prob	Result
NTB	Ho <sub>1</sub>	6.79065	0.2619	Accepted	SULTENG	Ho <sub>1</sub>	0.10793	0.7590	Accepted
	Ho <sub>2</sub>	0.66292	0.6557	Accepted		Ho <sub>2</sub>	1.80167	0.2506	Accepted
NTT	Ho <sub>1</sub>	3.80773	0.1228	Accepted	GORON TALO	Ho <sub>1</sub>	0.89699	0.3972	Accepted
	Ho <sub>2</sub>	3.29843	0.1435	Accepted		Ho <sub>2</sub>	0.53754	0.5041	Accepted
KALBAR	Ho <sub>1</sub>	0.00062	0.9813	Accepted	SULBAR	Ho <sub>1</sub>	0.18285	0.6909	Accepted
	Ho <sub>2</sub>	0.00032	0.9866	Accepted		Ho <sub>2</sub>	2.91510	0.1629	Accepted
KALTIM	Ho <sub>1</sub>	2.97653	0.3792	Accepted	MALUKU	Ho <sub>1</sub>	1.25218	0.3258	Accepted
	Ho <sub>2</sub>	64.3362	0.0878*	Rejected		Ho <sub>2</sub>	2.76193	0.1719	Accepted
KALSEL	Ho <sub>1</sub>	0.91458	0.5945	Accepted	MALUT	Ho <sub>1</sub>	3.21437	0.3669	Accepted
	Ho <sub>2</sub>	3.75218	0.3429	Accepted		Ho <sub>2</sub>	2.82920	0.3875	Accepted
KALTIM	Ho <sub>1</sub>	7.05421	0.2573	Accepted	PABAR	Ho <sub>1</sub>	0.25070	0.8161	Accepted
	Ho <sub>2</sub>	262.344	0.0436*	Rejected		Ho <sub>2</sub>	1.37590	0.5163	Accepted
SULUT	Ho <sub>1</sub>	0.07764	0.7943	Accepted	PAPUA	Ho <sub>1</sub>	10.1925	0.2162	Accepted
	Ho <sub>2</sub>	0.05933	0.8195	Accepted		Ho <sub>2</sub>	11.3926	0.2050	Accepted
SULTENG	Ho <sub>1</sub>	12.8819	0.0230*	Rejected	Note: Significant Level at 10%*				
	Ho <sub>2</sub>	0.02906	0.8729	Accepted					

Source: Data Processed

The results of causality granger test generate the conclusion that proven there is no connection to each other between unemployment with poverty in all provinces. The results also found that only on provinces of Lampung, Riau Islands, Yogyakarta, Banten, and Central Sulawesi, there are connection one direction that is poverty influence unemployment. As well as results also show there is connection one direction that is unemployment influence poverty on Provinces of Bangka Belitung, Bali and East Kalimantan.

**Conclusions and Recommendations**

**Conclusion**

Based on the results that have been discussed above, the conclusion of this research is: (i). **Model 1**, Wage level has a negative and significant effect on the level of unemployment; (ii). GDP growth has an effect negative and significant on the level of unemployment; and (iii). Inflation has an insignificant effect on the level of unemployment; (ii). **Model 2**, Subsidy Rate has a negative and significant effect on the Poverty Level; (ii). GDP has

an insignificant effect on the Poverty Level; and (iii). Human Development Index has a positive and significant effect on the Poverty Level; (iii). **Model 3**, There is no causality effect between unemployment with poverty on Provinces in region study; (ii). There is one direction relationship (poverty influences unemployment) in the Provinces of Lampung, Riau Islands, Yogyakarta, Banten, and Middle Sulawesi; and (iii). There is a connection one direction (unemployment influences poverty) in Provinces of Bangka Belitung, Bali and East Kalimantan.

### Recommendation

Actually, government has prepared 4 strategies for push amount poverty in Indonesia: (i). Increase effectiveness drop poverty and growth economy inclusive; (ii). Steady the group medium to lower in outside island Java for strengthening infrastructure connectivity that connects among center economy and region; (iii). Reform budget subsidies. Allocation subsidy diverted to the Village Fund and Regional Transfer to reduce inequality; and (iv). Strengthening economy domestic and system manage import. However, some recommendations below will be useful for the success of those 4 strategies:

1. Strategy Countermeasures of Poverty. This strategy can be formulated by: (i). Increase growth of economics; (ii). Increase expansion of job opportunities; (iii). Increase availability of stock of ingredient food, especially in regions with the biggest poor; (iv). Strengthening institutional empowerment programs for the public manager at the village level; and (v). Increase the empowerment of women in equality and justice gender.
2. Policy for resolving unemployment with the following method: (i). Policy of subsidy; (ii). Loan; and (iii). Infrastructure. Giving the good infrastructure could give positive impact for unemployed effort.
3. Another solution such as: (i). Government gives many facilities to new entrepreneurs in Small, Medium Business (SME); (ii). Give priority for the poor with build the facility of transportation and communication; (iii). Build social institution that can ensure the certainty life, such as: PT. Jamsostek; (iv). Simplify asses and enhancement the security for new investment; (v). Develop the tourist and Indonesian culture sector; (vi). Carry out a synergy program between BUMN or BUMS. The synergy will become more efficient and inexpensive because procurement ingredient of raw material can conduct together; and (vii). Some other facility for agriculture, plantation, and marine sectors.

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