

Research Article

PANDEMIC COVID-19 HAS AN IMPACT ON DECREASING TOURISM AND THE ECONOMY IN SOUTH SULAWESI

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ABSTRACT

Eight months of being hit by the Covid-19 Pandemic made Indonesia's economic conditions battered. Indonesia's economic growth in the second quarter of 2020 contracted considerably up to -5.32 percent. Indonesia is estimated to have lost foreign exchange of 14.5-15.8 billion USD due to a decrease in foreign tourist arrivals. This downturn is because the tourism sector relies heavily on human movement. The Association of Indonesian Hotels and Restaurants in South Sulawesi stated that the hotel and restaurant lines were most affected during the Covid-19 Pandemic. It was recorded that 237 companies experienced a decline in performance, as many as 10,091 workers at home, and 186 had been dismissed from work in South Sulawesi.

Keywords: Pandemic Covid-19, Tourism, Economy, South Sulawesi.

INTRODUCTION

The tourism sector in South Sulawesi must work hard to boost foreign tourist arrivals in 2020. In March 2020, the number of foreign tourists visiting South Sulawesi was recorded at 1,029 visits. The Central Statistics Agency of South Sulawesi noted that this figure had decreased by 14.96 percent when compared to February 2020 with 1,210 visits. Meanwhile, when compared to the same period in 2019, foreign tourist visits to South Sulawesi decreased by 43.96 percent with 1,825 visits. This condition is due to the start of restrictions in various countries affected by Covid-19. Including a number of countries that have dominated the number of visits to South Sulawesi (BPS, 2020). The accumulated foreign tourist visits from January to March 2020, namely 3,572 visits. Decreased quite drastically compared to the same period in 2019 with the number of foreign tourist visits to 4,155 visits. So far there are five countries with the highest number of visits to South Sulawesi, including Malaysia, Australia, Singapore, the United States, and Germany. The five countries are also listed as countries affected by Covid-19 (Karim, A. 2020). The existence of a number of restrictions and even lockdowns will certainly affect the movement of tourists from that country to visit South Sulawesi. The Open Unemployment Rate in South Sulawesi in February 2020 rose to 6.07 percent from the previous 5.42 percent in the same period the previous year and is higher than the national Open Unemployment Rate figure of 4.99 percent (Indonesia. S., 2005). Based on the level of education, the highest Open Unemployment Rate in South Sulawesi is at the DI / II / III education level which reaches 9.56 percent higher than the same period in 2019 of 7.02 percent. The next highest Open Unemployment Rate was found in Vocational High Schools at 9.07 percent, followed by Senior High Schools at 8.89 percent. In other words, there is a higher supply of labor at the Diploma I / II / III education levels, Vocational High Schools, and Senior High Schools (Annisa, A. 2018). On the other hand, the lowest Open Unemployment Rate was at the level of elementary school education and below, namely 3.2 percent, an increase from the same period in the previous year which was 1.23 percent. The low level of open unemployment at this level of

education is due to the fact that most of the workforce at this level of education work in informal business fields that do not require high educational qualifications (Putri M.E. 2020).

METHOD

The approach used in this research is quantitative research. This study uses a lot of numbers, starting from data collection, interpretation of data, and the appearance of the results. This quantitative approach aims to detect the extent to which the variables in a factor are related to variations in one or another factor. In this study, the data used are primary data and secondary data. The method used in analyzing the data in this study is using descriptive analysis. Descriptive analysis is the statistic that is used to analyze data by describing or describing the collected data as is without the intention of making generalized conclusions or generalizations. In this study, an overview of the socio-economic impacts of development and social changes that occur in the people of South Sulawesi will be obtained due to the impact of the decline in foreign tourist visits during the Covid-19 Pandemic. The data collected in this study were analyzed using descriptive analysis methods to explain various phenomena that are related to the problem under study.

RESULT

Number of poor people in South Sulawesi

In March 2020, the number of poor people in South Sulawesi reached 776.83 thousand people or 8.72 percent of the total population of South Sulawesi. The percentage of poor people increased by 0.16 percent from September 2019 and 0.03 percent from March 2019. In general, the composition of the poor between urban and rural areas has remained relatively unchanged from year to year. In March 2020, it was recorded that the number of poor people living in rural areas was 77.63 percent. Meanwhile, the number of poor people living in urban areas was 22.37 percent. Where most of the poor are found in rural areas compared to urban areas. This can be understood as the number of people living in rural areas is much larger, the information obtained is minimal and there are relatively few job opportunities. The Covid-19 pandemic since early March has restricted people's activities outside the home, resulting in a slumping economy.

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Table 1. Number and Percentage of Poor People in South Sulawesi, March 2020

| Number of Poor Population (Thousands of People) | | | | Percentage of Poor Population | | | |
|---|------------|----------------|------------|-------------------------------|------------|----------------|------------|
| September 2018 | March 2019 | September 2019 | March 2020 | September 2018 | March 2019 | September 2019 | March 2020 |
| 779.64 | 767.8 | 759.58 | 776.83 | 8.87 | 8.69 | 8.56 | 8.72 |

Source: South Sulawesi Central Statistics Agency, 2020 (processed).

Table 2. Number and Percentage of Poor People by Province in Sulawesi Island, March 2020

| Province | Number of Poor Population (Thousands of People) | | | Percentage of Poor Population | | |
|--------------------|---|-----------|----------------|-------------------------------|---------|----------------|
| | City | Village | City + Village | City | Village | City + Village |
| North Sulawesi | 68.80 | 123.57 | 192.37 | 5.22 | 10.25 | 7.62 |
| Central Sulawesi | 80.73 | 318.00 | 398.73 | 8.76 | 14.69 | 12.92 |
| South Sulawesi | 173.80 | 603.03 | 776.83 | 4.49 | 11.97 | 8.72 |
| Southeast Sulawesi | 76.93 | 224.89 | 301.82 | 7.14 | 13.50 | 11.00 |
| Gorontalo | 20.35 | 164.67 | 185.02 | 3.97 | 23.45 | 15.22 |
| West Sulawesi | 31.67 | 120.34 | 152.02 | 9.59 | 11.26 | 10.87 |
| National | 11,161.96 | 15,262.06 | 26,424.02 | 7.38 | 12.82 | 9.78 |

Source: South Sulawesi Central Statistics Agency, 2020 (processed).

Table 3. Development of visits of South Sulawesi tourists in 2017-2020

| Year | Month | | | | | | | | | | | | | Jan-Dec |
|------|-------|------|------|------|------|------|------|------|------|------|------|------|-------|---------|
| | Jan | Feb | Mar | Apr | May | Jun | Jul | Aug | Sep | Oct | Nov | Dec | | |
| (1) | (2) | (3) | (4) | (5) | (6) | (7) | (8) | (9) | (10) | (11) | (12) | (13) | (14) | |
| 2017 | 1812 | 1263 | 1530 | 1179 | 1131 | 1240 | 2132 | 1743 | 1604 | 1448 | 1538 | 1715 | 18335 | |
| 2018 | 832 | 1004 | 1099 | 1077 | 661 | 1216 | 1566 | 1626 | 1281 | 1187 | 1171 | 1406 | 14126 | |
| 2019 | 951 | 1379 | 1825 | 1312 | 1105 | 1385 | 1473 | 1983 | 1503 | 1439 | 1595 | 1821 | 17771 | |
| 2020 | 1333 | 1210 | 1029 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 3572 | |

Source: South Sulawesi Central Statistics Agency, 2020 (processed).

Table 4. Foreign tourist visits, developments in July 2019 and July 2020

| Number | Nationality | International Tourists | | | |
|--------|-------------|------------------------|-----------|-----------------------------------|-----------------------------|
| | | July 2019 | July 2020 | Proportion to total July 2020 (%) | July 2020 against July 2019 |
| 1 | Malaysia | 664 | 0 | 0 | -664 |
| 2 | France | 118 | 0 | 0 | -118 |
| 3 | Germany | 91 | 0 | 0 | -91 |
| 4 | Switzerland | 62 | 0 | 0 | -62 |
| 5 | China | 58 | 0 | 0 | -58 |
| 6 | Other | 480 | 0 | 0 | -480 |
| Amount | | 1,473 | 0 | 0 | -1,473 |

Source: Data processed 2020.

Table 5. Poverty Depth Index (P1) and Poverty Severity Index (P2) in South Sulawesi Province by Region, March 2019 - March 2020

| Year | City | Village | City + Village |
|------------------------------------|-------|---------|----------------|
| Poverty Depth Index (P1) | | | |
| March 2019 | 0.632 | 2.072 | 1.447 |
| September 2019 | 0.807 | 2.258 | 1.628 |
| March 2020 | 0.694 | 2.168 | 1.528 |
| Poverty Severity Index (P2) | | | |
| March 2019 | 0.132 | 0.507 | 0.344 |
| September 2019 | 0.198 | 0.616 | 0.434 |
| March 2020 | 0.157 | 0.568 | 0.389 |

Source: Data processed, 2020.

Many businesses limit or stop operating so that many workers are affected by unpaid leave or even layoffs. Automatically, people's income decreases which make the poverty rate increase. The increase in poverty in March 2020 was due to an increase in the price of basic necessities, one of which was rice as a staple food, so that the poor, especially those around the poverty line, we're unable to keep up with the increase in prices. Spatially, the percentage of the number of poor people in South Sulawesi in March 2020 was the second lowest compared to other provinces in the Sulawesi region. The percentage of the number of poor people in South Sulawesi was 8.72 percent after North Sulawesi at 7.62 percent. Meanwhile, the highest percentage of poor people in Sulawesi was in Gorontalo at 15.22 percent.

South Sulawesi tourism development

In September 2020 there were no foreign tourists visiting South Sulawesi. The spread of Covid-19 that has not abated has an impact

on travel. Room Occupancy Rate for star-classified hotels in South Sulawesi in September 2020 fell by 8.43 points compared to the Room Occupancy Rate in August 2020, from 46.81 percent in August 2020 to 38.38 percent in September 2020. When compared to September 2019 (56.55 percent), the Room Occupancy Rate for star-rated hotels in August 2020 decreased by 18.17 points. The average length of stay of foreign and domestic guests at star-classified hotels in South Sulawesi during September 2020 was 1.96 days and 2.24 days, respectively. The number of cumulative foreign tourist visits in South Sulawesi in 2020 decreased by 72.34 percent compared to 2019, it can be seen in the following table:

With the absence of foreign tourists from April - October 2020 to South Sulawesi, hotel occupancy rates in several cities in South Sulawesi Province are quite quiet and lay most of their employees off. This is the main trigger for the increase in the poverty rate in South Sulawesi.

DISCUSSION

Arrival of foreign tourists

Since July 2020, the number of foreign tourists visiting the Makassar entrance (via Hasanuddin Airport) recorded no visits. The absence of foreign tourist visits to South Sulawesi is due to the policy of limiting travel to various countries and regions in Indonesia as an effort to break the chain of spreading Covid-19. In July 2020, all the number of foreign tourists visiting through the Makassar gate decreased compared to July 2019. Malaysia experienced a decrease in foreign tourist visits by 664 foreign tourists, then the French State experienced a decrease in foreign tourist visits by 118 foreign tourists, Germany experienced a decrease in foreign tourist visits by 91 foreign tourists then Switzerland and China in July 2020 each experienced a decrease in the visits of 62 foreign tourists and 58 foreign tourists. Cumulatively (January - September 2020), the number of foreign tourist visits to Indonesia reached 3.56 million visits or decreased by 70.57 percent when compared to the number of foreign tourist visits in the same period in 2019 which totaled 12.10 million visits. Meanwhile, foreign tourists who came from the Middle East region cumulatively (January-September 2020) had the highest percentage decline, which was 78.00 percent compared to the same period the previous year, while Asian regions outside ASEAN had the smallest percentage decline, namely 66.75 percent. Based on nationality, the most foreign tourists visiting Indonesia during January-September 2020 were Malaysian nationals with 844,790 visits (23.72%), followed by Timor Leste with 772,880 visits (21.70%), Singapore 271,530 visits (7.62%), Australia 249,900 visits (7.02 %), and China 215,460 visits (6.05%).

Number of poverty in South Sulawesi as of March 2020

The number of poor people in South Sulawesi in March 2020 was 776.83 thousand people, an increase of 17.25 thousand people when compared to the conditions in September 2019 and an increase of 9.03 thousand people when compared to conditions in March 2019. The percentage of poor people in March 2020 was 8.72 percent or an increase of 0.16 points compared to the conditions in September 2019 and an increase of 0.03 points compared to conditions in March 2019. During the period March 2019 - March 2020, the percentage of poor people in urban areas increased by 0.05 points. In absolute terms, there was an increase in the number of poor people by 3.70 thousand people from 170.10 thousand people in March 2019 to 173.80 thousand people in March 2020. Meanwhile in rural areas at the same time there was an increase in the percentage of poor people in rural areas by 0.38 points. In absolute terms, the number of poor people in rural areas increased by 5.34 thousand people from 597.69 thousand people in March 2019 to 603.03 thousand people in March 2020. The increase in the number and percentage of poverty is suspected to be a continuation of the Covid-19 pandemic which hit the economy and reduced people's purchasing power. There is a significant difference in the percentage of poor people between urban and rural areas. The percentage of poor people in rural areas is greater when compared to urban areas. In March 2020, the percentage of poor people in rural areas was recorded at 11.97 percent, while for urban areas it was 4.49 percent. The development of poverty in South Sulawesi from March 2015 to March 2020 was quite fluctuating. After experiencing an increase in September 2015, poverty tends to decline until September 2019 and increases again in March 2020. Determination of the poor is preceded by determining the Poverty Line as the amount of expenditure required by the population to meet basic food and non-food needs. There are two components to calculate the Poverty Line, namely the Food Poverty Line and the Non-Food Poverty Line. Furthermore, the poor

population is determined based on the position of the average per capita expenditure per month against the poverty line. People with an average per capita expenditure per month below the poverty line are classified as poor. During March 2019 - March 2020 the Poverty Line has increased, from IDR 329,880.- per capita per month to IDR 350,264.- per capita per month or an increase of 6.18 percent. Poverty Depth Index Value (P1) and Severity Index Poverty (P2) in rural areas is much higher than in regions urban. So it can be concluded that the average income and inequality of the poor in urban areas is better than that rural areas.

CONCLUSION

The tourism sector is one of the sectors that contribute greatly to regional income as well as to increase employment for people in South Sulawesi. The tourism sector is related to hotels, restaurants, tourist attractions, and others. However, since the Covid-19 case increased, various tourist attractions had to be closed indefinitely in order to prevent the spread of Corona. With the closure of various tourist attractions, it will automatically affect regional income and especially community income. For regions that rely on the tourism sector as the largest contributor to regional income, they must be aware of the decline in regional income due to the closure of tourist attractions. In addition, the closure of tourist attractions also affects workers who also rely on income from the tourism sector, especially informal sector workers whose income is irregular. The Covid-19 Pandemic case in Indonesia, especially in South Sulawesi, has almost paralyzed people's economic activities. Since the government has implemented various policies such as Work From Home, territorial restrictions, and the closure of various public places such as tourist attractions, many companies or offices have closed their employees. There are also entrepreneurs of Medium, Small and Micro Businesses who even whiten their employees in anticipation of the impact of business closures in an undetermined time. Informal workers who usually get daily income now find it difficult to meet their needs. They are warung workers, small shops, hawkers, market traders, online motorcycle taxi drivers, to other workers who depend on their daily income, including in shopping centers. As a result, they chose to return to their respective villages because they were unable to bear the burden of life without certainty about income.

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