

The Impact of the Increase in Fuel Prices on Public Welfare and Nine Staple Materials in Gedung Johor Village, Medan Johor District, Medan City

Nadia Adhani *, M. Syafii

Universitas Sumatera Utara

Jalan Dr. T. Mansur No.9, Padang Bulan, Kec. Medan Baru, Kota Medan, Sumatera Utara 20222, Indonesia

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ABSTRACT

Research purposes This done For know Impact Increase in Fuel Oil (BBM) against welfare society and nine aterial The main point in Medan Johor District, Gedung Johor Village, Medan City. Types of research This is study qualitative. Population and sample study This is poor people Family Program ministry of hope (PKH) social in Medan Johor District, Gedung Johor Village, Medan City as many as 390 people. The sampling technique sample in study This is Probability Sampling technique with use formula slovin so that sample there were 80 respondents. Data collection techniques in study This is with spread questionnaire. Data analysis methods using different and descriptive tests qualitative. The returned questionnaire totaling 80 questionnaires. The results of the study show that Ascension Fuel prices (BBM) have an impact positive to increase Price of Nine Ingredients main matter This seen increase price material burn oil impact the rise Price of Nine Ingredients principal. Increase Fuel prices (BBM) have an impact negative to welfare public matter This show that the increase in fuel oil (BBM) can increase expenditure society and reduce welfare public.

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Corresponding Author:

Nadia Adhani

Universitas Sumatera Utara

Email: nadiaadhani22@gmail.com

INTRODUCTION

Growth and development economy is two- sided life close economics relationship and mutual influence. Economic development push growth economy, and vice versa growth economy expedite the development process economy. There is growth economy is indication success development economy. Therefore That many people often consider that growth and development economy is same. However that's basically it in knowledge economy matter That can distinguished.

According to Sunarti (2012), welfare is a way of life and livelihood social, material and spiritual which is filled with a sense of safety, morality and peace born inner self that allows every citizens for stage efforts fulfillment need physically, spiritually and socially as well as possible for self, home ladder as well as public.

Fuel price hike without realized is A problem new ones felt by the Indonesian people. Because of the impact from cost production as well as operations in many industrial sectors affected because

sector industry is the party that does not Can release self from use material burn, then with the rise material burn make cost production will rise, with cost production increases then need public like clothing, food, feed that comes from from sector industry will also rise. This is what makes inflation in a country takes place long and continuously.

Indonesia is one of the producing countries oil earth, will but the oil barn in this country Lots managed by the company foreign. Pertamina as a BUMN jargon in management oil earth only as display and government more lustful give permission management to company foreign. Condition This clear opposite with draft welfarestate (welfare state). Development process economy in all field in essence is For increase welfare public in a way comprehensive. The process of change structural economy like expansion chance work, and reduction level poverty is target main development that is intended achieved use realize welfare society. The economic history of Indonesia is story fight idea on two points question important appropriateness subsidies and fate prosperity economy such as fuel oil (BBM), where material burn oil this is very important and influential stability economy in society through increase price goods and services consumed public the.

Family Hope Program (PKH) in Medan Johor District, Gedung Johor Village, Medan City is divided into become a number of group recipients. Groups recipient that is component Mother pregnant, components child age under 6 years old, group child elementary school, middle school, high school, group the sufferer Disability and groups carry on 70 years old to above. Distribution help PKH social assistance is provided to KPM who have determined by the Directorate Guarantee Social Family. Distribution cash assistance given four stage in One year. Then funds by each component the that every PKH recipients must use help the For needs like target government that is For education and health. Government the area also sees Medan Johor District, Gedung Johor Village, Medan City is still there is poor people, where in the process of implementing the Family Program hope (PKH) still there is problem as well as constraint like Not yet optimal distribution of PKH to other communities, Lack coordination from various related parties with family program hope (PKH), lack of accuracy target Family Hope program assistance.

LITERATURE REVIEW

Welfare

Welfare public can understood as conditions in which the need basic rights and fundamentals social fulfilled, so that individual in public can life with decent, safe, and comfortable. Indicators welfare This covering aspects important like income, health, education, and standards alive. In the context of This, the price of fuel and basic necessities into two factors crucial that affects welfare society, especially related expenditure House stairs and power buy. Welfare Theory Social (Social Welfare Theory) emphasizes importance distribution fair income as well as access to need base For reach welfare social. When the price of fuel and basic necessities increase without accompanied with increase income or giving subsidy, thing This can to worsen inequality welfare social. In addition, the approach Capability (Capability Approach) developed by Amartya Sen highlights that welfare No only measured from aspect income, but also from ability public For fulfil need base they. If price basic necessities and fuel are experiencing increase, ability public For fulfil need important like food, education and health can decreased, which in turn will result in decline level welfare public in a way overall.

Nine Basic Ingredients

The nine basic necessities are gathering goods need very important basis for life daily society, including material food and necessities other like rice, sugar, cooking oil, eggs, and meat. Fluctuations price basic necessities often has an impact directly to welfare society, especially for group earn low which is partly big his income allocated For consumption basic necessities. In the context of This, Basic Needs Theory emphasizes that fulfillment need base is indicator important from welfare. Increase price basic necessities can make it difficult public earn low For fulfil need base they, which has an impact negative at level welfare. In addition to That, Keynesian Consumption Theory explains that consumption public influenced by the available income. When the price staple food prices go up without offset by an increase income, power buy public decreased, so that

consumption goods main become more limited. As a result, the situation This can lower level welfare public in a way overall, because they No can fulfil need the essential basics For a decent life.

Fuel oil

BBM is one of the source energy main used in various sector, starting from transportation, industry, to House stairs. Use and fluctuations fuel prices in general direct influence cost production as well as distribution goods and services, including nine material staple food (basic necessities). In the context of this, theory cost production and distribution explain that increase fuel prices have an impact on increasing cost production and distribution goods. As a result, prices basic necessities that become need base the community also participated increases, which in the end influence Power buy society, especially group earn low. In addition, the theory demand and supply are also relevant in matter This. This theory show that although high fuel prices, demand tend No elastic Because public still need it For various needs. Conditions This allow high fuel prices in a way direct increase price basic necessities and various other goods that require fuel in the distribution process, without reduce fuel consumption in general significant.

METHOD

Analysis methods in research This using different and descriptive tests qualitative. The returned questionnaire totaling 80 questionnaires. Data and information about Impact Increase in Fuel Oil (BBM) against Community Welfare and Nine Basic Foodstuffs (SEMPAKO) in Medan Johor District, Gedung Johor Village, Medan City is based on two types of data, namely primary data sourced from... from results questionnaire based on interaction direct between data collector with Data sources are the community and secondary data obtained through results studies decision and also publication official from various agency.

RESULTS AND DISCUSSION

Ascension price material burn oil (bbm) in general impact significant to price nine material staple food (basic necessities). This is caused by an increase cost transportation and distribution goods, which finally burdening producers and traders. As as a result, they tend raise price goods for cover cost more operational high. In addition, the increase in fuel prices can also influence price material standard, especially if material standard the need intensive transportation or high energy in the production process. In general overall, increase price basic necessities can reduce power buy society, especially group economy intermediate to down, so that impact directly to welfare community in gedung johor subdistrict, medan johor district

Table 1. Development of Basic Food Prices Year 2022

Development of Basic Food Prices 2022 Basic Necessities	Price Before Fuel Price Increase 2022	Price After 2023 Fuel Price Increase	Percentage (%)
Rice/Kg	Rp.11,200	Rp. 11,350	1.34%
Granulated Sugar /Kg	Rp. 14,500	Rp. 14,650	1.03%
Cooking Oil /kg	Rp. 19,000	Rp. 18,250	3.95%
Red onion and	Rp. 22,000	Rp. 27,000	22.7%
Garlic	Rp. 30,000	Rp.35,000	16.6%
Meat Cow /kg	Rp.129,000	Rp.134,000	3.38%
Chicken/kg	Rp. 29,900	Rp.30,250	1.17%
Milk	Rp. 11,000	Rp. 12,800	16.36%
Salt/200 gr	Rp. 8000	Rp. 9000	12.5%

Egg chicken /kg	Rp. 26,000	Rp. 28,000	7.7%
LPG GAS/3kg	Rp. 17,000	Rp. 25,000	47.06%

Source : Processed Data, 2023

Based on table 4.7 is visible increase price material main after increase material burn oil (BBM) is very significant, after increase in rice fuel oil (BBM). experience an increase of 1.34% compared to before increase fuel prices, things This is caused by a reduction supply consequence drought prolonged which causes results harvest decrease,

Sugar only experience increase of 1.03%, increase This it 's normal Because Fuel oil (BBM) prices have risen so cost production increases, sugar prices increase No too tall Because government follow supervise price staple on the market. Cooking oil experiences decline by 3.95% compared to before fuel price hike, thing This due to There is subsidy from government so that price cheap and stable cooking oil in the market. Price of onions red experience improvement by 22.7%, onions white experience improvement by 16.6 %. This caused by demand in the market is too high Lots whereas stock only A little due to farmers Not yet season harvest consequence the weather is not fixed. Meat prices cow experience increase by 3.38%, this This caused by the presence of revision from regulation Regulation of the Minister of Trade (Permendag) No. 7/2020 concerning price reference consumer (RIGHT), price meat cows in the market make trader raise price meat that is based on on reference limit price. Meat chicken experience increase by 1.17%, an increase this is caused the rise feed cattle causing the farmers raise price sell chicken too. Milk is experiencing increase by 16.36 % this is caused Because milk stock in medan experience lack so that cause price increase. increase salt prices occur because There is inequality from side production and quantity request, request increase whereas production Still still so that the occurrence significant increase which is 12.5%. Eggs experience increase Because stock on the market is running low. 3kg LPG gas is experiencing significant increase that is by 47.06 % This caused by the government to pull subsidy from price of 3 kg LPG gas, so that price back to normal like before existence subsidy from government.

Table 2. Income of the Gedung Johor Subdistrict Community, District, Medan City

Income / Revenue Per month	Before Fuel price hike (Number of people)		After Fuel price hike	
	Amount	%	Amount	%
<Rp.500,000	8	10%	12	15%
Rp.500,000 – Rp.1,000,000	21	26%	26	32%
Rp.1,000,000 – Rp.2,000,000	27	34%	30	38%
> Rp.2,000,000	24	30%	12	15%
Amount	80	100%	80	100%

Source : Processed Data, 2023

Based on table 4.8 above, income public before and after increase Fuel prices (BBM) have increased significant changes, the occurrence of change This caused by the descent Power buy public so that impact direct to income the society they obtain. The community that has income <Rp.500,000 after fuel increase to 12 people or increase from Previously, the community had income is dominated by workers as well as assistant House stairs, but For fulfil his needs with income the a number of public get help from government in the form of PKH and got it several times Direct Cash Assistance (BLT). People who have income of Rp.500,000 – Rp.1,000,000 after fuel price increases to 26 previously only 21 people, income This is For income head family only, but For fulfil his needs are assisted by his wife or husbands who work too. People who earn Rp. 1,000,000 – Rp. 2,000,000 are dominated by traders as well as employee private, income it is considered Still Can cover For need the main thing is that the community has income > Rp.2,000,000 after experience fuel price increases experienced decline to 12 people only, a decrease income the caused by right down his Power buy public so that influential to down his income trader.

Table 3. Expenditure The community of Gedung Johor Subdistrict, District, Medan City

Expenditure Per month	Before Fuel price hike		After Fuel price hike	
	Amount	%	Amount	%
< Rp.500,000	5	6%	-	0%
Rp.500,000 – Rp.1,000,000	24	30%	17	21%
Rp.1,000,000 – Rp.1,500,000	18	23%	14	18%
Rp.1,500,000 – Rp.2,000,000	20	25%	21	26%
>Rp.2,000,000	13	16%	28	35%
Amount	80	100%	80	100%

Source : Processed Data, 2023

From the table above, it can be seen existence shift significant in pattern expenditure public Gedung Johor Subdistrict before and after increase price material burn oil (BBM). Before fuel price hike, majority public use up between Rp. 500,000 to Rp. 2,000,000 per month, with expenditure the biggest are in the Rp.500,000 – Rp.1,000,000 (30%) and Rp.1,500,000 – Rp.2,000,000 (25%) groups. However, after fuel price hike, proportion public with expenses under Rp.1,500,000 per month decrease sharp, especially in groups expenditure of Rp.500,000 – Rp.1,000,000 which decreased from 30% to 21%, and in the Rp. 1,000,000 – Rp. 1,500,000 group which fell from 23% to 18%.

On the contrary, it happened improvement significant in the group expenditure more from Rp.2,000,000, which increased from 16% to 35%. This is indicates that increase fuel prices have push improvement expenditure House stairs, especially in need base like basic necessities and transportation, so that more Lots society that must emit more from Rp.2,000,000 per month For sufficient need life they. There is no Again society that spends not enough from Rp.500,000 per month after fuel increase, which shows that increase cost life influence all group income.

Table 4. Expenditure Basic necessities The community of Gedung Johor Subdistrict, District, Medan City

Expenditure Need Basic necessities Per month	Before Fuel price hike		After Fuel price hike	
	Amount	%	Amount	%
<500,000	15	19%	6	7%
500,000 – 1,000,000	29	36%	19	24%
1,000,000 – 1,500,000	17	21%	25	31%
1,500,000 – 2,000,000	12	15%	18	23%
>2,000,000	7	9%	12	15%
Amount	80	100%	80	100%

Source : Processed Data, 2023

The table above show change pattern expenditure public Gedung Johor Subdistrict for need basic necessities before and after increase fuel prices. Before fuel price hike, majority public use up between Rp. 500,000 to Rp. 1,000,000 per month (36%) for need basic necessities. However, after fuel price increase, occurs decline proportion in group expenditure This to 24%.

Shift big occurs in groups more spending high. Expenditure by Rp.1,000,000 – Rp.1,500,000 increased from 21% to 31%, and expenses by Rp.1,500,000 – Rp.2,000,000 increased from 15% to 23%. In addition, the group with expenditure more from Rp.2,000,000 also experienced improvement from 9% to 15%.

On the other hand, the group with expenditure not enough from Rp.500,000 down drastic from 19% to only 7%. This is reflect that fuel price hike encourages cost basic necessities more high, so that public must allocate more Lots expenditure For fulfil need principal, and group with expenditure low the more reduce.

Table 5. Paired Samples Test Expenditure In general Overall Before Fuel Price Increase and After Fuel price hike

Paired Differences	Mean	Std. Deviation	Std. Error Mean	95% Confidence Interval of the Difference	Lower	Upper	t	Sig. (2-tailed)
Pair 1: Expenditure In general Overall Before Fuel Price Increase and After Fuel price hike	6.75000	102.0644	11.41115	29.4633	15.9633	0.2592	79	0.036

Source : Processed Data, 2023

Average value of difference expenditure in a way overall before and after fuel increase is 6.75, shows existence improvement expenditure by 6.75 after increase fuel price. Standard deviation of 102,0644 reflects variation expenditure between Respondent after fuel price hike, with relative value high, indicating difference significant in expenditure between individual. In addition, errors the standard average (Std. Error Mean) of 11.41115 gives information about how much good average difference This represent population ; increasingly small mark this, increasingly accurate the average estimate.

95% confidence interval ranges from between 29.4633 to 15.9633, shows that We can own 95% confidence that difference actual expenditure is at in range This. The t value is 0.2592 with degrees freedom (df) 79 shows that observed differences is results from testing hypothesis about two paired averages.

Lastly, the value significance (p-value) of 0.036 indicates that There is significant difference between expenditure in a way overall before and after fuel price hike at level significance 0.05. With Thus, the results of this test show that increase fuel prices have an impact positive to expenditure in a way overall, which can influence welfare public.

CONCLUSION

Based on results data analysis and discussion that has been done, then study This yields two conclusions as following :

1. Ascension Fuel prices (BBM) have an impact positive to increase Price of Nine Ingredients main matter This seen increase price material burn oil (BBM) has an impact the rise Price of Nine Ingredients main.
2. Ascension Fuel prices (BBM) have an impact negative to welfare public matter This show that increase material burn oil (BBM) can increase expenditure society and reduce welfare public.

Suggestion

Based on results research and conclusion as has mentioned above, can made suggestions as following :

1. Research result this expected as material evaluation in order to be able to know response public general, especially in gedung johor village, medan johor district, medan city.
2. Need study more carry on with study quantitative distribution questionnaire to respondent in a way deep and thorough about impact increase fuel prices for nine basic commodities in gedung johor village, medan johor district, medan city.

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