

FACTORS AFFECTING THE POVERTY RATE IN EASTERN ACEH DISTRICT

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Abstract

One of the goals of national development in Indonesia is to create a more decent life through the implementation of welfare policies. However, the prevalence of poverty in Indonesia presents a significant challenge to achieving this goal. This study aims to determine the effect of various factors, including economic growth, unemployment, education, the human development index, and the labor force participation rate, on poverty in East Aceh Regency. The research method employed is quantitative research, and the data utilized is secondary. The results indicated that economic growth exerts a positive influence on the amount of poverty, with a correlation coefficient of 0.3334. The negative effect of unemployment on the amount of poverty is (-0.913). Education exerts a positive influence on the amount of poverty, with a coefficient of 0.1722. The Human Development Index exerts a negative influence on the poverty rate, with a coefficient of -0.7112. Furthermore, the labor force participation rate exhibited a positive effect (0.02021). The coefficient of determination for poverty was found to be 97.82%, indicating that it can affect a number of economic variables, including economic growth, unemployment, education, the economic development index, and the labor force participation rate.

Abstrak

Menciptakan kehidupan yang lebih layak dalam mewujudkan kesejahteraan bagi masyarakat Indonesia merupakan salah satu tujuan pembangunan nasional. Namun, tingkat kemiskinan menjadi masalah yang serius untuk mencapai tingkat kesejahteraan di Indonesia. Penelitian ini bertujuan untuk mengetahui pengaruh pertumbuhan ekonomi, pengangguran, pendidikan, indeks pembangunan manusia, tingkat partisipasi angkatan kerja terhadap kemiskinan di Kabupaten Aceh Timur. Metode penelitian yang digunakan adalah penelitian kuantitatif, data yang digunakan adalah data sekunder. Berdasarkan hasil penelitian menunjukkan bahwa pertumbuhan ekonomi mempunyai pengaruh positif sebesar (0,3334) terhadap jumlah kemiskinan. Pengangguran mempunyai pengaruh negatif terhadap jumlah kemiskinan sebesar (-0,913). Pendidikan mempunyai pengaruh positif sebesar (0,1722) terhadap jumlah kemiskinan. Indeks Pembangunan Manusia mempunyai pengaruh negatif terhadap jumlah kemiskinan sebesar (-0,7112). Dan tingkat partisipasi angkatan kerja mempunyai pengaruh positif sebesar (0,02021). Nilai koefisien determinasi jumlah kemiskinan sebesar 97,82% dan dapat mempengaruhi pertumbuhan ekonomi, pengangguran, pendidikan, indeks pembangunan ekonomi, dan tingkat partisipasi angkatan kerja.

Kata Kunci: Pertumbuhan Ekonomi, Pengangguran, Pendidikan, Indeks Pembangunan Manusia, Tingkat Partisipasi Angkatan Kerja, Kemiskinan, Aceh Timur.



INTRODUCTION

One of the primary objectives of national development is to enhance the performance of the economy in order to facilitate the creation of employment opportunities and to ensure a decent standard of living for all members of the Indonesian population (Ula, 2024). One of the objectives of national development is to reduce the prevalence of poverty. Poverty is a disease of the economy, and thus it must be cured or at least reduced. One of the impediments to economic development is poverty. Poverty serves as a benchmark for a country, indicating whether ongoing development can be enjoyed by all its citizens, regardless of attributive matters (Jamaluddin Majid, 2012).

Poverty is a pervasive issue that is consistently addressed by world countries (Budiman, 2021). The objective of state intervention is to control poverty and thereby facilitate social welfare. Poverty is defined as a state of insufficient income to cover basic expenses, which results in a constant struggle for survival (Sinurat, 2023). Poverty is caused by a multitude of factors, including inadequate minimum wages, substandard living standards, and persistently high unemployment rates, which are compounded by a lack of accessible employment opportunities (Arifin, 2019). According to Majid, poverty is defined as a state of having insufficient income to meet basic needs. These needs can be conceptualized as a package of goods or services that are necessary for human survival. The package typically includes clothing, food, and shelter (Jamaluddin Majid, 2012).

In general, poverty is caused by a complex interplay of human needs, unequal patterns of resource ownership, and unequal income distribution (Kamal, 2018). A significant proportion of the world's population lives in poverty, and a majority of these individuals have limited access to natural resources. Furthermore, the level of education also affects the quality of human resources (Sandra et al., 2020). A lack of education will inevitably result in an inability to develop oneself and narrow opportunities for employment, which in turn will affect the high unemployment rate (Hamid, 2023). A high level of unemployment in a country can result in poverty and challenges to the economic and political system of the nation in question, as well as impede the growth of the people's economy (Seena, 2016).

The phenomenon of unemployment can be attributed to the discrepancy between the availability of employment opportunities and the number of individuals actively seeking employment. Furthermore, unemployment may occur despite a high

number of employment opportunities, when there is limited information, when the basic skills available differ from those needed, or when individuals choose to be unemployed (voluntary unemployment).

Unemployment is a constant feature of any economy. Therefore, it is not a significant or dangerous problem. Indeed, if something is always present and even necessary, it is a profitable enterprise if it can be managed properly in suitable conditions (Putong, 2013). The high level of unemployment is a reflection of the lack of success of development because there is an imbalance in the number of workers with the available jobs (Harlik, 2013).

Poverty is a multifaceted issue that is shaped by a multitude of interrelated factors, including income levels, economic growth rates, education, unemployment, access to goods and services, location, geography, gender, and environmental conditions (Ali Khomsan Dkk, 2015).

The concept of poverty is inherently complex, as it is relative and difficult to define. Departing from this problem, numerous institutions and experts have endeavored to formulate and describe the definition of poverty. It is evident that the various theories formulated by experts have different versions. Poverty is defined as a low standard of living, namely the existence of a level of material deprivation or a number of people compared to the standard of living generally accepted in the community concerned (Suparlan, 2015). The East Aceh District is one of the districts in Aceh Province with an increasing percentage of poor people, as evidenced by the following data.

Table 1. Poverty Rate in East Aceh District for the Period 2012-2021

Year	Poverty (%)	Economic Growth (%)	Unemployment (%)	Education (%)	Human Development Index (%)	Labor Force Participation Rate (%)
2012	17,19	4,64	7,26	59,41	62,93	62,96
2013	16,59	4,97	11,42	60,66	63,27	65,13
2014	15,88	2,84	10,61	61,50	63,57	67,87
2015	15,85	4,83	13,89	61,66	64,55	63,14
2016	15,06	4,08	0	63,33	65,42	0
2017	15,25	4,27	8,42	65,00	66,32	59,55
2018	14,49	2,09	6,92	65,41	66,82	65,75
2019	14,47	4,47	7,61	65,50	67,39	59,37
2020	14,08	1,47	7,26	67,91	67,63	61,92
2021	14,45	2,73	7,13	68,41	67,83	59,48

Source : BPS Kabupaten Aceh Timur 2023

The theory of poverty posits that as economic growth increases, poverty will concomitantly decrease. Moreover, an increase in unemployment will result in an analogous increase in poverty. Furthermore, an increase in educational attainment is expected to result in a reduction in the poverty rate. A decline in the poverty rate in an area is indicative of greater economic advancement (Suparlan, 2015).

Table 1 indicates that in 2012, the poverty rate was initially 17.19%. However, in the following year until 2021, the poverty rate in East Aceh Regency decreased by 14.45% as indicated in Table 1.1. This table provides an overview of the development performance over time in East Aceh Regency. The preceding table illustrates that the economic growth rate in East Aceh Regency exhibited fluctuations between 2012 and 2021. The highest growth rate was observed in 2013, at 4.97%, while the lowest growth rate was recorded in 2020, at 1.47%.

Another factor that affects the poverty rate is unemployment. The high level of unemployment is indicative of a lack of successful development in a country. The relationship between unemployment and poverty is complex and multifaceted. In the East Aceh District, the unemployment rate fluctuates on an annual basis. Nevertheless, it can be observed that unemployment levels fluctuate, with periods of decline and subsequent increases. Another factor that affects the poverty rate is education (Safuridar, 2017).

The economic potential of East Aceh Regency is diverse, encompassing a range of sectors, including fisheries and mining. The majority of the population in East Aceh Regency is engaged in fishing activities, given the region's extensive maritime resources. Consequently, a number of variables influence the poverty rate, including economic growth, which affects the labor force; inflation; exports; imports; per capita income; and others. Unemployment is a contributing factor to an elevated poverty rate. A lack of education will undoubtedly result in an inability to develop oneself. Furthermore, a lack of educated people also has the potential to have a negative impact. The Human Development Index (HDI) is a commonly utilized metric for classifying countries according to their level of development. The Labor Force Participation Rate (TPAK) is defined as the ratio between the total labor force. In light of the above, this research is worthy of further investigation in order to identify significant results related to the factors that affect the poverty rate in East Aceh District.

The objective of this study is to identify the primary factors contributing to the poverty rate in East Aceh. Consequently, policies and programs can be designed in a more effective and targeted manner to address the issue of poverty in the region, thereby enabling the people of East Aceh to gain better access to education, health, employment, and other public facilities that enhance their quality of life. This research is of great importance given the high poverty rate in East Aceh. This is evidenced by numerous previous studies that have examined this matter, including the research of Yusuf, M., & Mansur, M. (2019) on the analysis of factors affecting poverty in East Aceh.

The distinction between previous research and the current research can encompass a number of factors. Primarily, previous research pursues different objectives than the current research. Additionally, previous research identifies problems or investigates specific aspects of the topic, whereas this research employs a distinct approach or focus. Moreover, previous research employed disparate research methodologies, data collection instruments, and analytical techniques, whereas the current research employs distinct methodologies, instruments, and techniques. Moreover, findings from previous research may serve as the basis or foundation for current research. The current research builds upon previous knowledge, addresses findings that remain controversial, and offers new insights.

RESEARCH METHODS

This research employs quantitative methodologies. The subject of this research is located in East Aceh Regency. The data utilized in this study is of a secondary nature. The data were obtained from the Central Bureau of Statistics in East Aceh Regency and other sources pertinent to this research. The data obtained as independent variables in this study are as follows: economic growth, unemployment, education, the human development index, and the labor force participation rate. The dependent variable data is the poverty rate in East Aceh Regency over the past decade (2012-2021). In this study, a multiple linear regression analysis was employed to derive an equation that can be expressed as follows:

$$Y = \alpha + b_1 x_1 + b_2 x_2 + b_3 x_3 + b_4 x_4 + b_5 x_5 + e$$

Description :

Y = Poverty Rate

α = Constant

b = Multiple correlation coefficient

- X_1 = Economic Growth
 X_2 = Unemployment
 X_3 = Education
 X_4 = Development Index (HDI)
 X_5 = Labor Force Participation Rate
 e = *Standard Error*

In order for the results obtained to explain the relationship between the independent variable and the dependent variable, the regression results of the above equation must be subjected to statistical tests. These include the Classical Assumption Test (Normality Test, Multicollinearity Test, Heteroscedasticity Test, Autocorrelation Test), Multiple Linear Regression Analysis, Research Hypothesis Test (Partial Significance Test (t test), Simultaneous Significance Test (F Test), Determination Coefficient Test (R^2).

RESULTS AND DISCUSSION

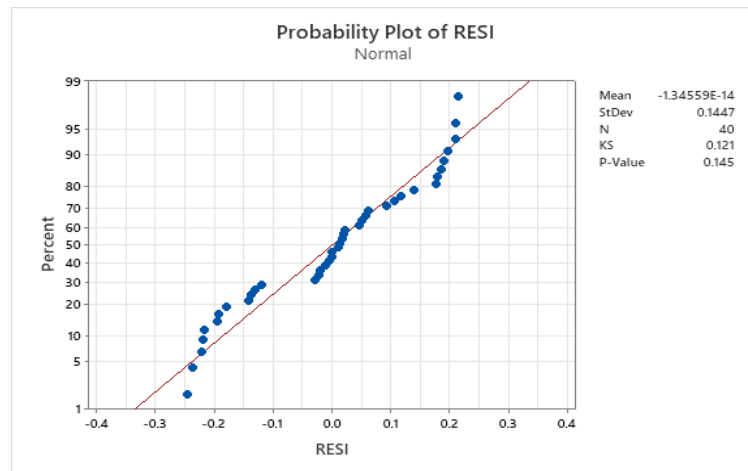
In order to obtain optimal data processing results, the authors employed the *Statistical Package for the Social Sciences* (SPSS) 22.0 software. Subsequently, they conducted a comprehensive analysis of the data.

Classical Assumption Test

Normality Test

The objective of the normality test is to ascertain whether the confounding or residual variables exhibit a normal distribution. As a starting point, the t test and f test assume that the residual value follows a normal distribution. If the p-value is less than 0.05, it can be concluded that the data distribution is not normal. Conversely, if the p-value is greater than 0.05, it can be inferred that the data distribution is normal (Sugiyono, 2017). In principle, normality can be detected by examining the distribution of data points on the diagonal sumcu of the graph or by analyzing the histogram of the residuals. A regression model is said to fulfill the assumption of normality if the data spreads around the diagonal line or histogram graph (Janie, 2012). A Kolmogorov-Smirnov (K-S) test was employed to assess the normality of economic growth data.

Figure 1. Normality Test



Source: Data processed, 2023

Figure 1 indicates that the P-value for data on economic growth, unemployment, education, the human development index, and labor force participation rate is 0.145. The data is considered to be normally distributed if the P-value is greater than 0.05. This indicates that the variables of economic growth, unemployment, education, the human development index, and labor force participation rate are normally distributed.

Multicollinearity Test

The multicollinearity test is designed to assess the degree of correlation between the independent variables included in a regression model. In the event of perfect multicollinearity between independent variables, it becomes impossible to determine the regression coefficient of the independent variable and the standard error value becomes infinite. In the event of a high degree of multicollinearity between the independent variables, the regression coefficients of the independent variables can be determined. However, a high standard error value indicates that the regression coefficient value cannot be estimated accurately. Accordingly, an examination of the tolerance and VIF values reveals that no tolerance value is below 0.10, and that the VIF value is not above 10. The aforementioned parameters indicate that there is no evidence of serious multicollinearity. The presence or absence of multicollinearity is determined by examining the VIF values presented in the following table.

**Table 2. Multicollinearity Test
Coefficients**

Term	Coef	SE Coef	T-Value	P-Value	VIF
Constant	49.34	1.80	27.40	0.000	
X.1	0.3334	0.0357	9.33	0.000	2.99

X.2	-0.0913	0.0151	-6.06	0.000	4.56
X.3	0.1722	0.0469	3.67	0.001	30.94
X.4	-0.7112	0.0697	-10.20	0.000	25.89
X.5	0.02021	0.00262	7.71	0.000	4.15

Source: Data processed, 2023

The data presented above indicates that the variables of economic growth, unemployment, and labor force participation rate do not exhibit multicollinearity issues. Consequently, researchers employ a process of identifying and eliminating data points that contribute to high levels of multicollinearity in order to resolve this issue. Following the removal of data that causes multicollinearity from the initial data set, a new coefficient table is generated, as shown below.

**Table 3. Multicollinearity Problem Solving Test
Model Summary**

S	R-sq	R-sq(adj)	R-sq(pred)
0.154980	97.82%	97.50%	96.93%

Source: Data processed, 2023

The output indicates that the R2 value is notably high at 97.82%, while the majority of independent variables exhibit a considerable t-statistic value at $\alpha = 5\%$. Given that the R2 value is high and that the majority of the independent variables are statistically significant, there is no indication of multicollinearity between the independent variables.

In the context of regression analysis, where the objective is prediction or forecasting, multicollinearity is not a significant concern. This is because a higher R2 value indicates an enhanced model capacity for accurate prediction. However, if the objective of regression analysis is not merely prediction but also estimation of parameters, then multicollinearity becomes a significant issue because it will result in a considerable standard error, thereby compromising the accuracy of parameter estimation (Janie, 2012).

Heteroscedasticity Test

The objective of heteroscedasticity testing is to ascertain whether the regression model exhibits variable inequality in the residuals of one observation relative to another. An optimal regression model is one that does not exhibit heteroscedasticity. In this study, heteroscedasticity is investigated using the Park test, which allows for the examination of a specific functional relationship between the

dependent and independent variables. This approach is employed to ascertain whether heteroscedasticity is present or absent. If the probability value of each variable is greater than $\alpha = 0.05$, or exceeds the significance level, there is no heteroscedasticity problem. Two methods exist for detecting the presence or absence of heteroscedasticity: graphical and statistical. The graphical method is typically employed by examining the plot graph between the predicted value of the dependent variable and its residuals. The statistical method can be applied using the Park Test, Glejser Test, White Test, Spearman's Rank Correlation Test, Goldfeld Quandt Test, and Breusch-Pagan-Godfrey Test. This section will focus on the graphical method and the Glejser test.

Table 4. Heteroscedasticity Test Coefficients

Term	Coef	SE Coef	T-Value	P-Value	VIF
Constant	0.233	0.780	0.30	0.767	
X.1	0.0142	0.0155	0.91	0.367	2.99
X.2	0.00302	0.00653	0.46	0.646	4.56
X.3	-0.0145	0.0203	-0.71	0.480	30.94
X.4	0.0099	0.0302	0.33	0.745	25.89
X.5	0.00154	0.00114	1.36	0.184	4.15

Source: Data processed, 2023

The data presented above indicate that the significance values for the variables of economic growth, unemployment, education, the human development index, and the labor force participation rate are 0.367; 0.646; 0.480; 0.745; and 0.184, respectively. The aforementioned values are greater than 0.01, indicating that heteroscedasticity is not present in the model. This indicates that all independent variables in this model exhibit a homogeneous variance distribution.

Autocorrelation test

The Autocolleration test is designed to assess whether there is a correlation between confounding error in period t and confounding error in the previous period ($t-1$) within a linear regression model. In the event of a correlation, the phenomenon is referred to as autocolleration. To ascertain the presence or absence of autocorrelation, the Durbin-Watson test may be employed. The decision as to whether or not there is autocorrelation is as follows (Imam Ghazali, 2013).

Table 5. Autocorrelation test

Durbin-Watson Statistic

$$\text{Durbin-Watson Statistic} = 2.14793$$

Source: Data processed, 2023

The Durbin-Watson (DW) test is employed in the context of autocorrelation testing. The Durbin-Watson statistical value is then obtained. Based on the Durbin Watson table, the value of Durbin Lower (dl) is 1.2305, while the value of Durbin Upper (du) is 1.7859. These values were obtained using the following parameters: $d = 2.14793$, with a degree of confidence $\alpha = 0.05$, $n = 40$, and $k = 5$. Given that the value of d is greater than du and smaller than $4 - du$, which is equivalent to $4 - 1.7859$, or $du < d < 4 - du$, it can be concluded that $1.7859 < d < 4 < 2.2141$. This indicates that there is no positive and negative autocorrelation present in the model.

Multiple Linear Regression Model

The regression coefficient value is calculated by solving the system of linear equations that follows.

$$Y = 49.34 + 0.3334 X.1 - 0.0913 X.2 + 0.1722 X.3 - 0.7112 X.4 + 0.02021 X.5$$

The regression equation can be interpreted as follows:

1. The coefficient value for the economic growth variable is positive at 0.3334. This indicates that, in the absence of any influence from the other independent variables, an increase of 1% in the economic growth variable can result in a 0.3334% increase in poverty.
2. The coefficient value for the unemployment variable is negative, with a value of -0.0913. This indicates that, in the absence of other independent variables, an increase of 1% in the unemployment variable can result in a decrease in poverty of -0.0913%.
3. The coefficient value for the education variable is positive, with a value of 0.1722. This indicates that, in the absence of other independent variables, an increase of 1% in the education variable can result in a 0.1722% reduction in poverty.
4. The coefficient value for the human development index variable is negative, with a value of -0.7112. This indicates that, in the absence of other independent variables, an increase of 1% in the human development index is associated with a reduction in poverty of -0.7112%.

5. The coefficient value for the labor force participation rate variable is positive at 0.02021. This indicates that, in the absence of other independent variables, an increase of 1% in the labor force participation rate can result in a reduction in poverty by 0.02021.

Accordingly, the variables that contribute to an increase in poverty include economic growth, unemployment, education, the human development index, and the labor force participation rate. The results of the regression equation indicate that the coefficient of determination (R^2) can be calculated as follows :

**Table 6. Determination Coefficient Test (R^2)
Model Summary**

S	R-sq	R-sq(adj)	R-sq(pred)
0.154980	97.82%	97.50%	96.93%

Source: Data processed, 2023

The coefficient of determination, which is a statistical measure of the extent to which a set of variables can be explained by another set of variables, indicates that 97.82% of poverty factors can be explained by economic growth, unemployment, education, the human development index, and the labor force participation rate. The remaining 2.18% can be attributed to other factors not included in this study.

Hypothesis Testing

Significance Test (t-test)

The t-statistical test demonstrates the extent to which an explanatory variable contributes to the variation in the dependent variable. The objective of this test is to ascertain the influence of the variables of economic growth, unemployment, education, the human growth index, and the labor force participation rate, either individually or in part (Imam Ghazali, 2013). The results of the data processing for the T test can be observed in the T-value. The initial and alternative hypotheses in the T-test are as follows:

H_0 : It can be demonstrated that economic growth, unemployment, the education index, and the labor force participation rate have no significant effect on poverty.

H_1 : Partially, there is a significant effect of economic growth, unemployment, education, human development index and labor force participation rate on the poverty variable.

**Table 7. Statistical Test (t Test)
Coefficients**

Term	Coef	SE Coef	T-Value	P-Value	VIF
Constant	49.34	1.80	27.40	0.000	
X.1	0.3334	0.0357	9.33	0.000	2.99
X.2	-0.0913	0.0151	-6.06	0.000	4.56
X.3	0.1722	0.0469	3.67	0.001	30.94
X.4	-0.7112	0.0697	-10.20	0.000	25.89
X.5	0.02021	0.00262	7.71	0.000	4.15

Source: Data processed, 2023

The t_{table} value with 34 degrees of freedom and degrees of confidence for a two-sided test is thus 2.032. Thus, for:

1. Economic Growth

Based on the data, the T-value = 9.33 and P-value = 0.000 so that the T-value > T_{table} ($9.33 > 2.032$) and P-value < 0.05, meaning that H_0 is rejected. Thus, the economic growth variable partially has a positive and significant effect on the poverty variable.

2. Unemployment

Based on the data, the T-value = -6.06 and P-value = 0.000 are obtained so that the T-value < $-T_{table}$ ($-6.06 < 2.032$) and P-value < 0.05, meaning that H_0 is accepted. Thus, the unemployment variable partially has a negative and significant effect on the poverty variable.

3. Education

Based on the data, the T-value = 3.67 and P-value = 0.001 so that the T-value > T_{table} ($3.67 > 2.032$) and P-value < 0.05, meaning that H_0 is rejected. Thus, the education variable partially has a positive and significant effect on the poverty variable.

4. Human Development Index

Based on the data, the T-value = -10.20 and P-value = 0.000 so that the T-value < T_{table} ($-10.20 < 2.032$) and P-value < 0.05, meaning that H_0 is accepted. Thus, the human development index variable partially has a negative and significant effect on the poverty variable.

5. Labor Force Participation Rate

Based on the obtained T-value = 7.71 and P-value = 0.000 so that the T-value > T_{table} ($7.71 > 2.032$) and P-value < 0.05, meaning that H_0 is rejected.

Thus, the labor force participation rate variable partially has a positive and significant effect on the poverty variable.

Simultaneous Test (F Test)

The F test is employed to ascertain whether all the independent variables included in the model exert a joint influence on the dependent variable. With the F test, it can be discerned whether Economic Growth, Unemployment, Education, Human Growth Index, and Labor Force Participation Rate have a simultaneous (joint) effect on economic growth variables (Imam Ghazali, 2013). The results of data processing for the F test can be seen in the following table.

**Table 8. Simultaneous Test (F Test)
Analysis of Variance**

Source	DF	Adj SS	Adj MS	F-Value	P-Value
Regression	5	36.7218	7.34435	305.78	0.000
X.1	1	2.0916	2.09159	87.08	0.000
X.2	1	0.8819	0.88186	36.72	0.000
X.3	1	0.3231	0.32308	13.45	0.001
X.4	1	2.5003	2.50028	104.10	0.000
X.5	1	1.4262	1.42618	59.38	0.000
Error	34	0.8166	0.02402		
Total	39	37.5384			

Source: Data processed, 2023

The results of the aforementioned test indicate that the initial hypothesis and alternative hypothesis proposed in the F test are as follows:

H_0 : The variables of economic growth, unemployment, education, the human development index, and the labor force participation rate do not have a significant effect when considered together on the poverty variable.

H_1 : The variables of economic growth, unemployment, education, the human development index, and the labor force participation rate exert a significant influence on the productivity variable collectively.

Based on the data above, it can be seen that the value of F_{count} is 305.78 and F_{table} with degrees of freedom (df), for $df_1 = 5$ and $df_2 = 34$ and the degree of confidence is 2.49. Thus, $F_{count} > F_{table}$ so that H_0 is rejected, meaning that economic growth, unemployment, education, human development index and labor force participation rate together have a significant influence on the poverty variable.

Interpretation of Data

The Impact of Economic Growth on Poverty

The first hypothesis states that economic growth obtained a T-value = 9.33 and P-value = 0.000 so that the T-value > T-table ($9.33 > 2.032$) and P-value < 0.05, meaning that H₀ is rejected. Thus, the economic growth variable partially has a positive and significant effect on the poverty variable.

In his analysis, Sadono Sukirno posits that economic growth can be defined as the fiscal development of the production of goods and services prevailing in a country. This encompasses a range of factors, including the increase and amount of production of industrial goods, the development of infrastructure, the increase in the number of schools, the increase in the production of the service sector, and the increase in the production of capital goods. To provide a rough picture of the economic growth achieved by a country, the most commonly used measure is the growth rate of real national income (Sadono Sukirno, 2011).

The findings of Yoghi Citra Pratama's research indicate that all independent variables exert an influence on the poverty rate variable simultaneously (Pratama, 2019).

The Impact of Unemployment on Poverty

The second hypothesis posits that unemployment obtained a T-value of -6.06 and a P-value of 0.000, indicating that the T-value is less than the critical value ($-6.06 < 2.032$) and that the P-value is less than 0.05. This suggests that the null hypothesis (H₀) is accepted. Consequently, the unemployment variable exerts a negative and significant effect on the poverty variable.

Unemployment represents a macroeconomic problem that directly affects individuals and is the most severe problem, resulting in a decline in living standards and psychological pressure (Gregory Mankiw, 2017).

Research conducted by Harlik indicates that the simultaneous effects of population density, education level, and unemployment rate on the poverty rate in Jambi City are positive and significant (Harlik, 2018).

The Impact of Education on Poverty

The third hypothesis posits that education obtained a T-value of 3.67 and a P-value of 0.001, indicating that the T-value is greater than the T-table value ($3.67 > 2.032$) and that the P-value is less than 0.05. This suggests that the null hypothesis is

rejected. Consequently, the education variable exerts a positive and significant effect on the poverty variable.

Education is an activity with a specific purpose: the development of the individual. In the context of Islamic education, this concept cannot be fully understood without first understanding the interpretation of "full individual development." Only through a comparison of the concept of man and his development with various concepts that arise in modern society can we understand the nature of the various problems we face and provide solutions (Ashraf, 2016).

The results of a study conducted by Ravi Dwi and colleagues indicate that the independent variables collectively influence the poverty rate (Wijayanto, 2020).

The Impact of Human Development Index on Poverty

The fourth hypothesis states that the human development index obtained a T-value = -10.20 and P-value = 0.000 so that the T-value < Ttable (-10.20 < 2.032) and P-value > 0.05, meaning that H₀ is accepted. Thus, the human development index variable partially has a negative and significant effect on the poverty variable.

The Human Development Index (HDI) is commonly used to classify whether a country is developed, developing or underdeveloped and also to measure the impact of economic policies on quality of life. According to Amartya Sen, "hunger occurs not because of food shortages but because of unequal development of equitable food distribution" (Windhu Putra, 2019).

Research conducted by Endang, et al shows that based on the results of the study, the correlation level of the independent variables shows a significant relationship simultaneously as a whole) of 83.5%. Then the coefficient of determination is 67.9% which indicates that the independent variables used can explain the model by 67.9% of the number of poor people while the remaining 32.1% is from other independent variables not used in this study (Endah Ernany Triariani; Hj. Sri Mintarti; H. Priyagus, 2016).

The Impact of Labor Force Participation Rate on Poverty

The fifth hypothesis states that the labor force participation rate obtained a T-value = 7.71 and P-value = 0.000 so that the T-value > Ttable (7.71 > 2.032) and P-value > 0.05, meaning that H₀ is rejected. Thus, the labor force participation rate variable partially has a positive and significant effect on the poverty variable.

The Labor Force Participation Rate is defined as the ratio between the total labor force (to the relevant age group) and the total population at working age (to the relevant age group) of the working-age population. In this case, the population 10 years and over is considered. TPAK indicates the size of the economically active working-age population in a country or region. This is because not all workers actually produce goods and services, despite their involvement in the productive age group (10 years old). Consequently, there are some workers who do not produce goods and services. This is because they have not sought employment (Latumaerisa, 2015).

Research conducted by Meyvi, et al. indicates that the labor force participation rate of men and women has a positive and significant effect on economic growth. Furthermore, the TPAK of men and women has a positive and significant effect on reducing poverty in North Sulawesi Province. However, economic growth is unable to have an effect on reducing poverty in North Sulawesi (Meyvi, 2020).

CONCLUSIONS

The results of the data analysis and the discussion of the above research indicate that the coefficient value for the economic growth variable is positive at 0.3334. This indicates that, in the absence of other independent variables, an increase of 1% in the economic growth variable is associated with an increase of 0.3334% in the poverty rate. The coefficient value for the unemployment variable is negative, indicating that an increase in unemployment by 1% is associated with a decrease in poverty of -0.0913. This indicates that, in the absence of other independent variables, an increase of 1% in the unemployment variable can result in a decrease in poverty of -0.0913%. The coefficient value for the education variable is positive, with a value of 0.1722.

This demonstrates that, in the absence of consideration of the other independent variables, an increase of 1% in the education variable can result in a reduction in poverty of 0.1722%. The coefficient value for the human development index variable is negative, with a value of -0.7112. This demonstrates that, in the absence of other independent variables, an increase of 1% in the human development index can result in a decrease in poverty of -0.7112%.

The coefficient value for the labor force participation rate variable is positive at 0.02021. This indicates that, in the absence of consideration of the other

independent variables, an increase of 1% in the labor force participation rate can result in a reduction in poverty of 0.02021%. The coefficient of determination indicates that 97.82% of the variation in poverty can be explained by economic growth, unemployment, education, the human development index, and the labor force participation rate.

The coefficient of determination, which is a statistical measure of the extent to which a set of variables can be explained by another set of variables, indicates that 97.82% of poverty factors can be explained by economic growth, unemployment, education, the human development index, and the labor force participation rate. The remaining 2.18% can be attributed to other factors not examined in this study. The results of this study indicate that economic growth, education, and the labor force participation rate exert a positive influence on poverty, collectively accounting for 97.82% of the observed effect.

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