

## ABSTRACT

*This study aims to analyze the relationship between financial inclusion, economic growth, quality of human resources and poverty in Java. The variabel used in this study is financial inclusion which consists of three variabel indicators, namely the dimensions of banking penetration, the availability of banking services and the use of banking services. The variabel quality of human resources consists of life expectancy and average years of schooling, as well as economic growth and poverty levels. The data was taken from the first quarter of 2012 to the fourth quarter of 2020 in 6 provinces on the island of Java. The method of analysis is carried out by conducting the Toda Yamamoto Causality Test and estimating the Panel Vector Error Correction Model (PVECM).*

*The results of data analysis on the empirical model show that there is a two-way causality between the variabels of banking penetration and poverty, one-way causality between the availability of banking services and poverty, and economic growth and poverty. In the long term, economic growth, availability of banking services, use of banking services, and life expectancy are significant to poverty, banking penetration and average years of schooling are significantly negative. Meanwhile, in the short term banking penetration, the availability of banking services has a significant negative effect, significant positive economic growth, and the use of banking services, life expectancy and average years of schooling do not affect the poverty level.*

*Keywords: Financial Inclusion, Economic Growth, Quality of Human Resources, Poverty, VECM.*