ABSTRACT

One of the goals of economic development is to reduce the level of poverty in various regions, especially in areas where the poverty rate has relatively increased from year to year. Poverty can be interpreted as a low standard of living, namely the existence of a level of material deficiency in a group of people compared to the standard of living that generally applies in the community concerned. The purpose of this study is to analyze the effect of Gross Regional Domestic Product (GRDP), Human Development Index (HDI) and Unemployment on Poverty levels in 33 Regencies/Cities in North Sumatra Province in 2017-2021.

This study uses panel data with the Random Effect Model (REM) approach and uses a one-tail hypothesis test to determine the effect of Gross Regional Domestic Product (GRDP), Human Development Index (HDI) and Unemployment on District/City Poverty Levels. in North Sumatra Province in 2017-2021.

The results of the regression using the Random Effect Model (REM) approach show that in 2017-2021 the variables Gross Regional Domestic Product (GRDP), Human Development Index (HDI), and Unemployment jointly affect the level of Poverty in Districts/Cities in North Sumatra Province. Partially, the Gross Regional Domestic Product (GRDP) and Human Development Index (HDI) variables have a significant effect on the district/city poverty rate in North Sumatra Province, while the unemployment variable has no significant effect on the district/city poverty rate in North Sumatra Province. It is hoped that the regional government of North Sumatra Province can carry out further analysis and evaluation related to newly developing regencies/cities in North Sumatra Province so that the data needed for various purposes or policies can be fulfilled.

Keywords: Poverty, GRDP, HDI, Unemployment