

ABSTRACT

The poverty level in the Province of Special Region of Yogyakarta is still high. In 2019-2021 all Regencies/cities in the Province of Special Region of Yogyakarta will experience an increase in the poverty rate. This study aims to analyze the effect of income inequality, Human Development Index (HDI) and labor force participation Rate on poverty in districts/cities in Special Region of Yogyakarta Province in 2011-2021.

This study uses panel data sourced from BPS. Panel data is a combination of time series data, namely 2011-2021 and cross section data, namely 4 Regencies and 1 Cities in Special Region of Yogyakarta Province. The analysis used in this research is panel data regression using evIEWS10 software. The model chosen in this research is the Random Effect Model (REM) which was chosen based on the chow test, hausman test and lagrange multiplier test.

The result of the study show that the income inequality variable has no partial effect on the poverty level in districts/cities in Special Region of Yogyakarta Province 2011-2021. The human Development Index (HDI) has a negative and significant effect on poverty levels in districts/cities in Special Region of Yogyakarta Province 2011-2021. The labor force participation rate has no partial effects on poverty level in Special Region of Yogyakarta Province 2011-2021. If viewed simultaneously at income inequality, Human Development Index (HDI) and labor force participation rate have a effect on the poverty level in districts/cities in Special Region of Yogyakarta Province 2011-2021. Therefore, there needs to be efforts from the government of the Special Region of Yogyakarta Province to improve the quality of Human Development Index (HDI) to reduce poverty levels.

Keywords : Income Inequality, Human Development Index, Labor Force Participation Rate, Poverty Level.