

ABSTRACT

The poverty level can be used to determine the level of welfare in an area. East Nusa Tenggara Province has the 3rd highest percentage of poor people in Indonesia. According to BPS East Nusa Tenggara Province, around 1,14 million people in East Nusa Tenggara Province experience chronic poverty. This research aims to identify factors that are thought on poverty levels in 22 regency/cities in East Nusa Tenggara Province in 2010-2023. Determining the determinants of poverty levels refers to the Vicious Circle of Poverty Theory.

This research uses the Geographically Weighted Panel Regression (GWPR) method with the assumption of a Fixed Effect Model (FEM) with a within estimator. The parameter estimation of the GWPR model is performed using the Weighted Least Squares method. Adaptive Exponential Kernel Function was used to provide spatial weighting.

The results of the research show that simultaneously the Geographically Weighted Panel Regression (GWPR) approach is a better model in explaining the diversity of poverty levels than the Fixed Effect Model. GRDP variables, School Participation Rates Aged 7-12 Years, Households with Access to Adequate Sanitation and Unemployment Rates have a positive and significant effect on poverty levels in several areas of East Nusa Tenggara Province. The variables Mean Years of Schooling and Life Expectancy have a negative and significant effect on poverty levels in certain areas. The income inequality variable has no effect on the poverty level in each region. The results of this research show that policies for poverty alleviation will be more effective if poverty programs are differentiated in each region.

Keywords: FEM, GWPR, Spatial Heterogeneity, Poverty