

ABSTRACT

The welfare of the population is closely related to the level of poverty, poverty is a multidimensional problem that involves all aspects that are directly or indirectly related to all levels of society. This study focuses on the poverty level in the BARLINGMASCAKEB development area which has consistently decreased but still places it in the highest position compared to other development areas in Central Java. Therefore, this study aims to analyze the influence of regional spending, regency/city minimum wage, human development index, open unemployment rate to poverty level in the BARLINGMASCAKEB area.

This research is a quantitative research with secondary data covering 5 (five) districts in the BARLINGMASCAKEB Area in Central Java in 2014-2023. The method used in this study is regression analysis with a Fixed Effect Model.

Based on the regression results, the variables of the Regency Minimum Wage and the open unemployment rate have a significant effect on the poverty rate. Meanwhile, the variables of Capital Expenditure and Human Development Index (HDI) have a insignificant effect on the poverty rate. This can be caused because local government expenditure is mostly related to public investment that is not on target for poverty alleviation, followed by an uneven human development index that is not accompanied by access to employment opportunities or economic development.

Keywords: Poverty, Capital Expenditure, Regency/City Minimum Wage, Human Development Index, Open Unemployment Rate.

