

ABSTRACT

This study aims to analyze the determinants of poverty across regencies and cities in Eastern Indonesia (KTI) for the period 2018–2023 using the First Difference Generalized Method of Moments (FD-GMM) Two-Step approach. The analysis focuses on: (1) the effects of human development, gender inequality, and institutional quality on poverty levels; (2) the role of Gross Regional Domestic Product (GRDP) as a control variable in explaining poverty dynamics; and (3) the persistence of poverty across regions in KTI. The findings indicate that: (1) human development has a negative and significant effect, suggesting that improvements in living standards and human capabilities contribute to reducing poverty; (2) gender inequality has a positive and significant effect, implying that unequal access and economic opportunities between men and women exacerbate poverty vulnerability; (3) institutional quality has no significant effect, indicating that regional governance has not yet provided a direct impact on poverty reduction; and (4) GRDP has a positive and significant effect, confirming that economic growth in KTI remains non-inclusive and has not generated pro-poor growth. These results highlight the importance of enhancing human development, promoting gender equality, and strengthening structural reforms to ensure that economic growth becomes more inclusive for low-income populations.

Keywords: Poverty, FD-GMM, Human Development, Gender, Institutional Quality, GRDP, Eastern Indonesia.

