ABSTRACT

Urban poverty in West Java Province remains persistent even though its nine autonomous cities function as centers of economic growth with high human development attainment. This study analyzes the effect of urbanization, human capital, and unemployment on the urban poverty rate in the nine autonomous cities of West Java Province over the 2019–2025 period. Urbanization is proxied by gross in-migration, human capital by the Human Development Index, and unemployment by the open unemployment rate. This study uses secondary data obtained from Statistics Indonesia, arranged as a balanced panel of 63 observations covering nine cities over seven years.

The analytical method is panel data regression estimated with the Fixed Effect Model, selected through the Chow test and the Hausman test, combined with Arellano (HC1) robust standard errors to address heteroskedasticity and autocorrelation. The estimation results show that unemployment has a positive and significant effect on urban poverty at the one percent level, with a one percentage point increase in the open unemployment rate associated with an increase of about 0.22 percentage points in the poverty rate. In contrast, urbanization and human capital have no significant effect at the five percent level. Simultaneously, the three variables significantly affect urban poverty, with a within R^2 of 0.3049. These results confirm that labor market conditions constitute the most decisive channel for urban poverty dynamics, so that policy priority should be directed toward expanding and protecting employment opportunities rather than toward restricting migrant inflows.

Keywords: urban poverty, urbanization, human capital, unemployment, panel data

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