

ABSTRACT

The high level of poverty in Central Java shows unreliable development that still cannot increase prosperity equally. Hence, analysis is required to identify several factors that affect. This research's purpose is to identify several factors that affect the poverty level of the poverty level of 35 Districts/Cities of Central Java Province from 2011 until 2015.

This research uses secondary data containing 35 Districts/Cities of Central Java on cross section data and 2011 until 2015 on time series data. The analytical method of this research is Fixed Effect Model (FEM) or Least Square Dummy Variable (LSDV). Cross section dummy is required due the differences of characteristics and resources on each Districts and Cities.

The results of this research show that Growth of PDRB gives positive and significant effect for poverty level. The Average School Year and Life Expectancy Rate give negative and significant effect for poverty level. On the other side, Unemployment Level give positive and significant effect for poverty level.

Keyword: Poverty, Growth of PDRB, Average School Year, Life Expectancy Rate, Unemployment, Fixed Effect Model.