ABSTRACT

Poverty is a complex problem which is related with many kind of aspects like the rights for food, health, education, job, etc. To decrease the poverty needs support and collaboration of society and the government's serious efforts. The average rate of poverty in Central Java is relatively higher than other 6 provinces of Java, lying on first level between 2004-2008.

This study is aimed to analize how and how much the influence of population variabel, GRDP, Human Development Index and unemployment to the rate of poverty in regency/city of Central Java. Regression model used is Ordinary Least Squares Regression by using a panel data using fixed effects approach. This study uses a dummy year as one of the variables. The use of dummy years in this study is to look at variations in poverty levels over time in Central Java.

The test result simultaneously shows that, totally, independent variable together can point it's influence to the rate of poverty. And R-squared value of 0.609 which means 60,9% rate of poverty variable can be explained by independent variable. While the rest, the 40%, explained by other factors outside of the model.

Research results show population variable positively and significantly influence the rate of poverty in Central Java, GRDP negatively and significantly influence the rate of poverty in Central Java, Human Development Index negatively and significantly influence the rate of poverty in Central Java and unemployment negatively and not significantly influence the rate of poverty in Central Java.

Keywords: rate of poverty, population, GRDP, Human Development Index and unemployment