

ABSTRACT

Poverty is a problem that involves many aspects as it relates to low income, illiteracy, low health status and the degree of inequality between the sexes and poor environment (Word Bank, 2004). Overcoming the problem of poverty can not be done separately from the problems of unemployment, education, health and other problems that are explicitly associated with the problem of poverty. Strategic issues in the government of Central Java province is not much different from the central government (national problem), namely high rates of poverty and the increasing number of unemployed. And the concern though has been in the form TKPK to address the problem of poverty that exist, but that based on BPS (Central Bureau of Statistics) in 2008, the poverty rate in Central Java is still ranked 22 out of 33 Provinces in Indonesia, and also has the largest poverty appeal in any other province in Java.

This study examines the influence of GDP, education (literacy), unemployment on poverty in Central Java, in this case for all of districts in Central Java in 2005 - 2008. The purpose of this research are to analyze how and how much influence the variables GDP, education (literacy), unemployment on poverty in Central Java which is expected to be used as a basis in determining the policies in addressing poverty in Central Java. Data used in this research is secondary data obtained from the Central Statistics Agency (BPS) as well as browsing the internet website as a supporter. While the method of analysis used in this research is a method of linear regression analysis of panel data with FEM method with the help of software Eviews 6.

The results of this study indicate that the GDP variable is negative but not significant effect on poverty levels, educational variables which proxy with the literacy rate of significant negative effect on the level of poverty, unemployment variable has negative and significant impact on the level of poverty in Central Java.

Key words: Poverty, GDP, Education (Literacy), Unemployment