ABSTRACT

Central Java Province has a relatively high poverty rate and is a complex problem for all regions to overcome. The high level of poverty in Central Java Province indicates an uneven process of economic development in each region so that it has not been able to improve the welfare of its people. Poverty alleviation efforts must be carried out properly and know the causes and factors that can affect the level of poverty to overcome the poverty problem. The purpose of this study is to analyze the rate of economic growth, unemployment rate, education level and regional investment which affect poverty in 35 districts / cities in Central Java Province from 2010-2019.

This study uses secondary data in the form of a data panel consisting of cross-section data from 35 districts / cities in Central Java Province and time-series data from 2010-2019 using Eviews 10. The method of regression analysis tools used in this study is Fixed Effect Model (FEM). The results obtained from this study indicate that the economic growth variable and regional investment variable has a negative but insignificant effect on poverty levels. The education level variable represented using the average length of schooling had a negative and significant effect on poverty levels. The unemployment rate variable represented by the open unemployment rate has a positive but insignificant effect on the poverty level.

Keywords: Poverty, Economic Growth, Education, Unemployment Rate, Regional Investment