

## How Do Economic Development Indicators Affect the Poverty Level? Evidence from West Nusa Tenggara

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### Abstract

This study aims to determine the effect of GRDP, HDI, Economic Growth, and Unemployment Rate on poverty levels in West Nusa Tenggara Province. The method used the Random Effect Model as the selected model through a series of model selection tests and classical assumption tests. Regression results using the selected model show that of the four variables that cause poverty rates, only the HDI variable negatively and significantly affects poverty rates. Meanwhile, the other three variables (GRDP, economic growth, and unemployment rate) do not significantly affect poverty. The result suggests that the West Nusa Tenggara government should increase the HDI through stimulus programs in terms of education and health to provide more human resources, create more jobs for the lower and middle class to overcome unemployment and reduce poverty level, and expand the scope of GRDP and development in the economic structure sector to reduce the poverty level.

**Keywords:** GRDP, HDI, panel data, random effects models

## Bagaimana Pengaruh Indikator Pembangunan Ekonomi Terhadap Tingkat Kemiskinan? Bukti dari Nusa Tenggara Barat

### Abstrak

Penelitian ini bertujuan untuk mengetahui pengaruh PDRB, IPM, Pertumbuhan Ekonomi, dan Tingkat Pengangguran terhadap tingkat kemiskinan di Provinsi Nusa Tenggara Barat. Metode yang digunakan dalam penelitian ini adalah Random Effect Model sebagai model terpilih melalui serangkaian uji pemilihan model dan uji asumsi klasik yang telah dilakukan. Hasil regresi dengan menggunakan model terpilih menunjukkan bahwa dari empat variabel penyebab angka kemiskinan, hanya variabel IPM yang berpengaruh negatif dan signifikan terhadap angka kemiskinan di 10 kabupaten/kota di provinsi NTB. Sedangkan tiga variabel tidak berpengaruh signifikan terhadap angka kemiskinan. Hasil penelitian ini menyarankan kepada pemerintah daerah NTB untuk meningkatkan indeks pembangunan manusia melalui program-program stimulus seperti pada bidang pendidikan dan kesehatan untuk menyediakan sumber daya manusia, menciptakan lapangan kerja untuk masyarakat bawah dan menenngah sebagai upaya mengurangi pengangguran dan kemiskinan, serta memperluas sektor pendapatan daerah dan struktur pertumbuhan ekonomi untuk mengurangi tingkat kemiskinan.

**Kata kunci:** PDRB, HDI, data panel, model random

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## INTRODUCTION

As a developing country, Indonesia is currently faced with the problem of a high poverty rate. Based on data from the Central Statistics Agency (BPS), in the period 2006 to March 2020, in general, it continued to experience a decline, both quantitatively and in terms of percentage. However, there were increases in September 2013, March 2015 and March 2020 (Fitria, 2021). West Nusa Tenggara Province (NTB) is one of several provinces with a relatively high number of poor people. Based on poverty profile data released by BPS NTB in the last five years, the number of poor people in NTB has continued to fluctuate. In 2018, the number of poor people was 14.75 percent; in 2020, it decreased to 13.97 percent; in 2021, it increased to 14.14 percent; and in 2022, it again reduced to 13.68 percent. This number is still above the national average in March 2018 as a percentage of 9.82. Due to the COVID-19 pandemic since 2020, there has been an increase to 10.19 percent; in 2022, it has dropped to 9.54 percent.

The increase in the poverty rates in Indonesia, including West Nusa Tenggara, is due to the impact of the COVID-19 pandemic that occurred worldwide. Moreover, poverty is one of the agendas of sustainable development goals (SDGs) in national and international scopes. Therefore, poverty should be solved by all of the stakeholders so it does not become a big problem in economic development. Changes in the poverty rate in West Nusa Tenggara Province were caused by several things, including the earthquake that happened at the end of 2018. During *recovery efforts* carried out by the government in 2019 was hit again by the presence of the COVID-19 pandemic, which caused a slowdown in almost all economic sectors, from household consumption expenditure, GRDP, and tourism sector, and also changes in behavior and people's financial activities (Azzahra et al., 2022; Fitria, 2021; Pahrudin et al., 2021). With these conditions, the poverty level of West Nusa Tenggara has dropped significantly due to some things that happened in 2018-2021. Based on this background, examining the factors influencing poverty in West Nusa Tenggara is necessary.

However, the studies on the influence of GRDP, HDI, economic growth, and unemployment rate on poverty have been widely discussed. At the same time, a few have been done in the NTB region, even though the regional government places the problem of poverty as an essential matter. In addition, this research is necessary because it focuses on the local context, namely the province of West Nusa Tenggara (NTB). This research also provides more specific information and knowledge in ten districts/cities in the NTB region because NTB has different economic, social, and cultural dynamics and is also one of the areas that are the location for the development of ten Super Priority destinations with the Mandalika Special Economic Zone (KEK). Thus, in the future, NTB will become one of the centers of economic growth, which is expected to contribute significantly to national economic development. Therefore, this study is necessary to examine the variables on poverty level in NTB and can provide a more contextual and relevant view for researchers, especially regional policymakers.

Based on **Figure 1** below, it can be seen that the number of poor people in West Nusa Tenggara Province (NTB) in the last 13 years, from 2010 to 2022, has generally decreased. However, in 2015 and 2021, there was an increase.

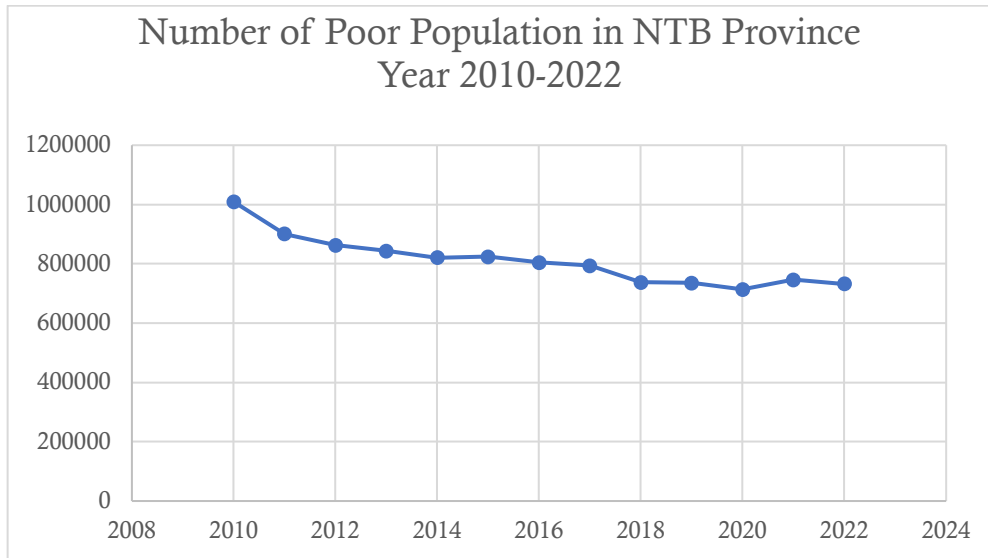


Figure 1. Poverty Data Profile in West Nusa Tenggara Province  
Source: BPS NTB, BRS Poverty Profile for July (data processed)

Based on data on the number of poor people per district/city in West Nusa Tenggara (NTB) Province in the 2010-2022 period, in terms of numbers, it is still dominated by East Lombok Regency, Central Lombok Regency, and West Lombok Regency. This is because the three regencies have the largest population in proportion.

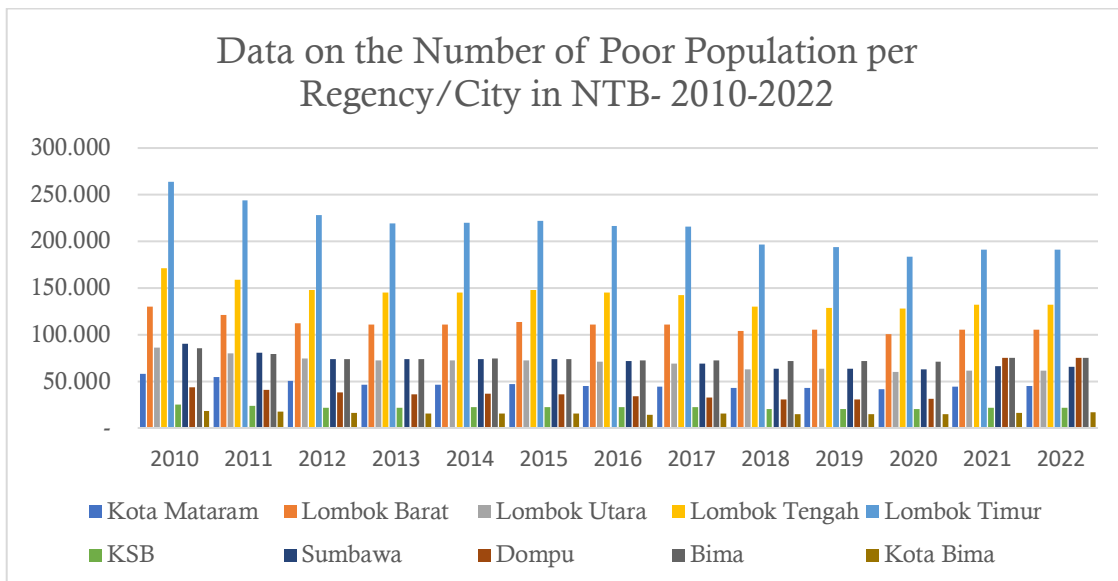


Figure 2: Data on the Number of Poor Population by Regency/City 2010-2022  
Source: BPS NTB, BRS Poverty Profile for July (data processed)

The economic growth of a region can be reflected in the GRDP growth of an area at both current and constant prices. Regional domestic product growth based on continuous prices shows a growing economy or every component of expenditure from year to year.

Based on the data displayed, the economic growth of West Nusa Tenggara shows that the fluctuation time at the lowest point is around 4.50% in 2018, 3.90% in 2019 and a decrease of around 0.62. and incline until 6.95% in 2022 (Nusa & Panggalo, 2022).

Human development is one of the indicators that can encourage the economic development and economic growth of the nation or region. The United Nations Development Program (UNDP) issued the concept of human capital quality. The Human Development Index (HDI) indicates human development as seen from the community's quality of life, which is measured based on three (3) dimensions: health, education, and income. The high index of human development refers to the citizens' ability to manage economic growth, such as technology and institutions, as vital tools to achieve economic Growth (Dewi & Jati, 2014).

While unemployment is one of the factors that affect the level of poverty, the unemployment rate has the potential to burden and pressure the level of income and household consumption expenditure, which can increase the risk of poverty. The indicator used in this study to measure unemployment is the open unemployment rate. A survey from (Wijaya et al., 2021) revealed that the open unemployment rate in West Nusa Tenggara was 3.32% and increased in 2018 by 3.58%, which decreased by 0.3 percent in 2019. In addition, in 2020, it increased by 0.94 percent, which was dominated by the population that graduated from vocational high school (Wijaya et al., 2021). Thus, the unemployment rate in West Nusa Tenggara fluctuated and showed a consistent decline every year.

Based on the background, this study aims to examine the influence of each variable starting from the Gross Regional Domestic Product (GRDP), Human Development Index (HDI), Economic Growth, and total Unemployment Rate, both partially and simultaneously affect the poverty rate in 10 Regencies/Cities in West Nusa Tenggara Province. In addition, this research is significant because it focuses on the local context, especially in the case of the Province of West Nusa Tenggara (NTB). Even though topics related to the influence of GRDP, HDI, economic growth, and unemployment rate on poverty have been conducted in several regions, few studies have been undertaken in the NTB region. The differences in socio-economic dynamics between the 10 City Districts in West Nusa Tenggara Province and other provinces, this research provides a different perspective on the data in the West Nusa Tenggara Province region. The Regional Government of NTB has made the problem of poverty, as stated in its RPJMD (*Medium-Term Regional Development Plan*), one of the priority programs that is integrated with several national programs related to the main problem of poverty, such as health, education, livable houses, and the provision of clean water facilities, as well as other programs. The average regional government allocates a budget for poverty alleviation annually, reaching 1.2-1.5 trillion annually.

Furthermore, this study used an econometric model to examine the relationship between the variables GRDP, HDI, economic growth, and unemployment rate simultaneously, which will provide a more comprehensive understanding of how each variable interacts with each other and influences the level of poverty in NTB. Therefore, this study contributed to both academics and practitioners. This study enriched the literature

on poverty integrated with gross regional domestic product, human development index, and unemployment rate in the academic field. In addition, the results of this study would also be helpful for policymakers in designing more appropriate strategies and policies related to reducing poverty levels, especially in NTB Province.

### **Literature Review**

This study uses some variables to examine the relationship among them. Previous studies examined the HDI at the poverty level (Prasetyoningrum & Sukmawati, 2018) and found that HDI has a negative and direct impact on the poverty level. In addition, the study found that economic growth has not significantly reduced poverty, and then the variable unemployment positively affects the poverty level.

Furthermore, the study (Leonita & Sari, 2019) aims to examine the GDP, HDI, and unemployment variables on the poverty level by using data from the Indonesian Central Statistics Agency (BPS). The result found that GDP, HDI, and unemployment variables simultaneously affect Indonesia's poverty. In addition, the partial test found that GDP and unemployment affected the poverty level. However, the HDI did not impact on poverty. It is suggested that the government focus on increasing regional income decreasing unemployment and poverty. Therefore, the GRDP had a negative and significant effect on poverty in central Java (Wiguna & Sakti, 2012), and also from (Wirawan & Arka, 2015) revealed that GRDP per capita had a negative and significant effect on poor people.

The study (Irawan, 2022) found that only the unemployment rate and the Human Development Index significantly affected the poverty level in Sumbawa Regency from 2012 to 2021. The study (Dahliah & Nur, 2021) examines variables such as unemployment, HDI, and GDP on poverty. The result found that unemployment has a positive and insignificant effect on the level of poverty; (2) Partially, the HDI and GDP have a negative and negligible impact on the level of poverty; (3) Simultaneously, Unemployment, HDI, and GDP have a significant effect on the level of poverty.

Furthermore, a study in the context of HDI, economic growth, and the number of people in poverty has been conducted (Dinata, 2020) and found that the HDI, economic growth, population number, and unemployment rate variables significantly affect poverty. In addition, some studies by (Cholili, 2014; Prasetyoningrum & Sukmawati, 2018), and (Fadlillah et al., 2016) stated that HDI has a negative and significant influence on the poverty level. Moreover, HDI contributes to building good people in some aspects, such as education, health, and others, with the expectation of improving the quality of people, especially their living standards.

Based on several explanations above, in this study, some hypotheses are proposed:

H1: GRDP has a negative and significant effect on the poverty level.

H2: HDI has a negative and significant impact on the poverty level.

H3: Economic Growth has a positive and significant impact on the poverty level.

H4: Unemployment has a positive and significant impact on the poverty level.

## METHOD

The research method is used to obtain a research object related to guidelines related to the stages of the research process, especially concerning the techniques and procedures used. This quantitative descriptive study aims to test hypotheses, which are analyzed using panel data regression with the *Ordinary Least Square* (OLS) method, which is carried out in several stages, namely determining the regression estimation model, classic ammunition test, and parameter significance test.

The data collection in this study used a documentation method to collect the relevant data related to the research topics from several sources such as official websites, articles, and books. This data is collected by obtaining from the website of the Central Statistics Agency (BPS) of NTB and journals related to the study's background. The data used in this study are annual data on the number of poor people, Gross Domestic Product (GRDP), Human Development Index (HDI), and Economic Growth and Number of Unemployed in 10 Regencies/Cities in West Nusa Tenggara Province (NTB) in 2010 to 2022. The data source used is secondary data obtained from various sources, including the Website of the Central Statistics Agency (BPS) for District Cities and West Nusa Tenggara Province, as well as other sources, both directly and indirectly.

Moreover, this study used the panel data to analyze the data based on a panel in question to combine time series and cross-section data. The observation used time series data from 2010 to 22 and cross data from as many as ten regencies/cities in the NTB province. This study has two variables: independent variables (X) that influence the other variables and dependent variables (Y) that are affected by the independent variables. The dependent variable used in this study is Gross Regional Domestic Product (X1), which was used to measure the growth of a regional domestic product based on the constant prices to show a growing economy or every component of expenditure from year to year from 2010-2022 in 10 regencies/cities in the form of a percentage. The Human Development Index (X2) was used in this study to measure the community's welfare from 2010-2022 in 10 regencies/cities in NTB using a single value, namely the human development index number. This study's economic growth rate (X3) was used to measure the GDP growth based on the constant price (ADHK) in 10 regencies/cities in NTB from 2010-2022 in percentage units. The unemployment rate (X4) is the number of workers in a vibrant economy or event looking for a job but not getting the job. This variable used the number of open unemployment rates in 10 districts/cities in NTB from 2010-2022 in percentage units. The last variable in this study is Poverty level. Poverty Level (Y) is the number of poor people in 10 districts/cities in West Nusa Tenggara (NTB) Province from 2010-2022.

Panel data is data obtained from observations on several individuals or (*cross-sectional units*), where each is observed successively over several periods (time units) (Baltagi & Baltagi, 2008) in (Fitria, 2021). Panel data regression is a set of techniques for formulating models of the influence of explanatory variables on responses in panel data. In general, two approaches are commonly used in predicting models from panel data: models without individual influence (*common effect*) and models with individual effects (*fixed effect and random effect*). The model without individual influence or common effect is a prediction that

combines *all-time series* and *cross-section data* (Sembodo, 2013) as cited in (Fitria, 2021). The *common effect* model gives the same  $\alpha$  value for each period and individual. The following is a model of *the common effect* according to (Baltagi & Baltagi, 2008) as adapted from (Fitria, 2021):

$$PL_{it} = \alpha + \beta_1 GRDP_{it} + \beta_2 HDI_{it} + \beta_3 EG_{it} + \beta_4 UNEMP_{it} + \mu_{it}$$

Where:

- PL<sub>it</sub> = Poverty Level of the i-th unit *cross-section* and -t time;
- $\alpha$  = intercept of the regression model;
- $\beta$  = Slope coefficient for each unit;
- GRDP = Gross Regional Domestic Product
- HDI = Human Development Index
- EG = Economic Growth
- UNEMP = Unemployment
- X<sub>it</sub> = independent variable for the i-t unit *cross-section* and t-hour;
- $\mu_{it}$  = error value on the i-t unit *cross-section* and t-hour

To determine the significance of the regression coefficient of each independent variable on the dependent variable. A *significant test* is a procedure used to test whether the null hypothesis results from a sample are true or false. The basic idea behind significance testing is a statistical test of the sample distribution of a statistic based on the null hypothesis. The decision to process H<sub>0</sub> is based on statistical test scores from existing data. Statistical tests consist of partial regression coefficient testing (t-test), combined regression coefficient testing (F test), and goodness of fit (R<sup>2</sup>) coefficient of determination test. The coefficient of determination test (R) aims to measure how much the poverty level can explain variations in the dependent variable. In the first hypothesis test, the coefficient of determination is seen from the magnitude of the value (Adjusted R<sup>2</sup>) to find out how far the independent variables, namely Unemployment, HDI, and GDP, relate to the Poverty Level. This value (Adjusted R<sup>2</sup>) has an interval between 0 and 1. To test the influence of the independent variable on the individual dependent, the following hypothesis can be seen:

H<sub>0</sub>:  $\beta_1=0$  means there is no effect

H<sub>a</sub>:  $\beta_1>0$  means there is a positive effect

H<sub>a</sub>:  $\beta_1<0$  means there is a negative effect

## **FINDING AND DISCUSSION**

In this study, there are some procedures to select the models of GRDP, HDI, Economic Growth, and the number of unemployed in 10 Regencies/Cities in West Nusa Tenggara Province to get the best model from 3 alternative panel data models, namely: *Fixed Effect Model* (FEM), *Random Effect Model* (REM), and *Common Effect Model* (CEM). To determine which model is more appropriate to use between *the Common Effect Model* (CEM), *Fixed Effect Model* (FEM), or *Random Effect Model* (REM) is carried out using several tests with the following conditions:

Based on the results of the Cho test, it is known the result found that *the Fixed Effect Model* (FEM) is the most appropriate. The Hausman test also shows that the random effect model is the most suitable. Based on this result, the next test is LM to find which is the most suitable model between FEM and REM. The REM model is more precise than the CEM model. From the results of the three tests, it can be concluded that the best model used in this study is the *Random Effect Model* (REM) because the three tests conducted REM were selected in two Hausman Tests and LM tests.

Furthermore, this study's classic assumption or normality data test was tested using the JARQUE-BERRA method. The result found that the residuals are normally distributed, and this study's normality data is not a problem. In addition, this study conducted a multicollinearity test to test whether the regression method used correlates with the independent variables. Based on the test results, it was found that the absolute value of the correlation coefficient does not exceed the standard value of 0.8, and it can be concluded that there is no multicollinearity between independent variables in this study.

Based on the data analysis results, it can be concluded that the REM Model is the selected model. The results are obtained as follows in the table below;

Table 1. *Estimation Results of Random Effect Model (REM)*

Variables	Coefficient	t-stats	Prob	Decision
C	324553.4	4.447286	0.0000***	Significant
GRDP	0.000555	0.514494	0.6078	Insignificant
HDI	-3582032	-3.287394	0.0013***	Significant
Economic Growth	98.96174	0.323306	0.7470	Insignificant
Unemployment rate	-1920571	-1.309596	0.1927	Insignificant

\*\*\*significant at 5%.

Based on the table of the estimation result above, the panel regression model in this study is as follows:

$$PL = 324553.4 + 0.000555GRDP - 3582031HDI - 98.96174EG - 1920571UR$$

Explanation:

GRDP: Gross Regional Domestic Product

HDI : Human Development Index

EG : Economic Growth

UR : Unemployment Rate

PL : Poverty Level

In addition, based on the table above, the F test aims to see the effect of the independent variables jointly on the dependent variable. Based on the results of the F test in Table 5 above, an R-Square value of 0.119940 is obtained, indicating the magnitude of influence or ability of GRDP, HDI, Economic Growth, and Total Unemployment simultaneously in explaining the number of poor people. That is the contribution to the influence of the variables studied (GRDP, HDI, economic growth, and the number of unemployed on the poverty rate in 10 districts/cities in the province of NTB together is



11.99950% while the remaining 88.0060 is influenced by other factors that are not included in the variable under study.

### **Discussion**

Based on the results of the panel data regression analysis conducted, it can be seen that only the HDI variable has a significant effect among the four variables measured, namely GRDP, HDI, Economic Growth, and Unemployment rate. The other three variables statistically do not affect poverty rates in 10 districts/cities in the province NTB.

Based on the regression results showing the direction of the relationship between variables on the poverty level, it shows that GRDP has a positive and insignificant effect on the poverty rate in 10 districts/cities in the Province of NTB. However, it was statistically found that the impact of GRDP is not significant on poverty. The result implied that the positive effect of GRDP is the increase in the poverty level in 10 districts/cities in West Nusa Tenggara Province. In addition, the increase in regional income statistically does not significantly affect the level of poverty in 10 districts/cities in the province of NTB. The result found that GRDP is not significant in this study; it is indicated that GRDP is directly proportional to the poverty level or rate in West Nusa Tenggara. In addition, the increase in the number of GRDP increases the poverty level in West Nusa Tenggara because the GRDP is insignificant; if the GRDP increases by 1%, the poverty level will increase by 0.0005%. The result of this study in the case of West Nusa Tenggara indicated that increasing the GRDP has not contributed to decreasing the poverty level due to mostly the sectors of income in NTB from big companies such as the mining industry PT NNT (Newmont Nusa Tenggara), KEK (Economic Special Zone) Mandalika, and others. These companies hired workers based on the specific criteria and did not contribute to decreasing the poverty level in NTB. The regression results showing the direction of the relationship between variables on the poverty level show that GRDP has a positive effect and is insignificant on the poverty rate in 10 districts/cities in the Province of NTB. However, it was statistically found that the impact of GRDP on poverty is insignificant. The result implied that the positive effect of GRDP impacts the increase in poverty level in 10 districts/cities in West Nusa Tenggara Province. In addition, the increase in regional income statistically does not significantly affect the poverty level in 10 districts/cities in the province of NTB. The result found that GRDP is not significant in this study; it is indicated that GRDP is directly proportional to the poverty level or rate in West Nusa Tenggara. In addition, the increase in the number of GRDP increases the poverty level in West Nusa Tenggara because the GRDP is insignificant; if the GRDP increases by 1%, the poverty level will increase by 0.0005%. The result of this study in the case of West Nusa Tenggara indicated that increasing the GRDP has not contributed to decreasing the poverty level due to mainly the sectors of income in NTB from big companies such as the mining industry PT NNT (Newmont Nusa Tenggara), KEK (Economic Special Zone) Mandalika, and others. These companies hired workers who were from the specific criteria and did not contribute to decreasing the poverty level in NTB. This result, in line with a study from (Dahliah &

Nur, 2021), revealed the insignificant and negative of the variable GRDP on poverty in the period 2010-2022 case of East Lawu regency.

The Human Development Index negatively and significantly impacts poverty rates in 10 districts/cities in the Province of NTB. This means that an increase in the HDI will reduce the poverty rate in 10 districts/cities in West Nusa Tenggara Province. Furthermore, this study examines the Relationship of the Human Development Index (HDI) to Poverty Levels in 10 Districts/Cities in the Province of NTB. Based on the regression results using the selected *Random Effect Model*, the relationship between HDI and the poverty level is negative and significant. This implied that the increase in the Human Development Index statistically significantly reduces the poverty rate in 10 districts/cities in the Province of NTB. There are some programs that the NTB government has done to increase the Human Development Index, such as 1000 scholar programs (scholarship for master degree abroad), the integrated service post in healthcare service or POSYANDU with connecting to the stunting's preventive, and promotion the program to education institution such as junior and senior high schools. These programs will impact the poverty level of the society in NTB for the long term. This study result is similar to the study by (Nainggolan et al., 2020), who stated that the human development index impacts poverty in North Sumatra. In addition, the study by (Citrawan et al., 2018) revealed that poverty can be reduced by increasing the human development index through the average length of education and life expected. Thus, from these results, the government of West Nusa Tenggara must continue to work on human development to increase the HDI as one of the efforts to alleviate poverty in 10 districts/cities in the NTB Province.

The variable economic growth has a positive and insignificant effect on poverty rates in 10 regencies/cities in West Nusa Tenggara Province. The result indicated that the positive impact of an increase in economic growth is not statistically proven to affect the rise in poverty in 10 districts/cities in the province of NTB. Based on the results of the regression analysis of the selected model of the *Random Effect Model*, the relationship between economic growth and poverty levels has a positive direction but is not significant. This means that the increase in economic growth statistically does not affect the level of poverty in 10 districts/cities in the province of NTB. The result of this study was supported by (Osinubi, 2005), stating that economic growth has not significantly impacted poverty in Nigeria. The result of this study is contrary to the study (Asrol & Ahmad, 2018), which revealed that economic growth is one of the indicators of elevated or decreased poverty in the case of the European Union (Michálek & Výbošťok, 2019). In addition, some studies by (Agrawal, 2007; Škare & Druzeta, 2016) revealed that economic growth contributes to poverty alleviation.

The last variable in this study is the unemployment rate variable, which has a negative and insignificant effect on poverty rates in 10 districts/cities in the province of NTB. The result means that an increase in the number of unemployed has not been statistically proven to reduce poverty in 10 districts/cities in the Province of NTB. The relationship between unemployment rate (TP) and Poverty Rate in 10 Regencies/Cities in NTB Province. Based on the results of the regression analysis of the selected model of the *Random Effect Model*, the

relationship between the unemployment rate (TP) and the poverty level has a negative direction but is not significant. This means that the increase in the unemployment rate statistically has no significant effect on the poverty rate in the ten districts/cities in the Province of NTB. This result indicated that not all of the unemployed people in West Nusa Tenggara are poor, poor people in West Nusa Tenggara, or poor people who are still supported by someone (their family or relatives) who has sufficient income while looking for a job. In addition, the citizens in West Nusa Tenggara are generally a working-class population of the 15-64 age group in West Nusa Tenggara. The other reason is the extended family's support for each other. That is, the concern between relatives or neighbors is manifested in the attitude of mutual help to help. The result of this study was supported by (Adelowokan et al., 2019; DeFina, 2004), who stated that the unemployment rate has no significant impact on the poverty level. However, the study by (Amalia et al., 2018) revealed that unemployment significantly affects the poverty rate of cities/districts in Papua Regency. Furthermore, some studies by In addition, a study (Muthalib et al., 2018) revealed that unemployment contributed to elevating the poverty level.

## **CONCLUSION**

Based on the research results described above, it has been able to answer research objectives related to the influence of GRDP, HDI, Economic Growth, and Unemployment Rates on poverty rates in 10 districts/cities in the Province of NTB. Of the 4 (four) variables examined, only HDI has a negative and significant relationship to the poverty rate in 10 districts/cities in the Province of NTB. This finding means that the increase in the HDI statistically significantly reduces the poverty rate in 10 districts/cities in the province of NTB. Meanwhile, the other three variables, namely GRDP, Economic Growth, and Unemployment Rate, have a positive direction but do not statistically significantly affect the poverty rate in 10 districts/cities in the Province of NTB. Increasing the HDI is very important to be carried out in 10 districts/cities in the Province of NTB as one of the efforts to reduce poverty in the Province of NTB.

Many other factors or variables are not included in this study that have an influence on the poverty rate in 10 districts/cities in the Province of NTB because, based on the results of the R square determination test, it is only 11.99 percent, meaning that another 88 percent is the poverty rate in the ten districts/cities in NTB Province is influenced by other variables. For this reason, it is a space for further studies to be carried out to explore more related to what variables affect poverty rates in 10 districts/cities in the Province of NTB to serve as study material and references for policymakers in formulating policies to intervene in reducing poverty rates.

Furthermore, based on the study results, some recommendations are for academics and practical industry. For academic purposes, 1) it will be suggested that future researchers use other variables besides the independent variables used in this research to enrich the literature in the context of economic development, especially the variables that affect the poverty level in NTB. 2) for the most profound understanding and to enrich the analysis for future studies, it is suggested that other researchers pay attention to the weaknesses and

limitations of this study. In addition, based on the results of this study, due to the HDI having a significant and negative impact on the poverty level, it is suggested that the government increase HDI to reduce the poverty rate of society, such as by increasing the rate of education and health sector. The NTB government has conducted some programs that can improve the HDI, such as giving the basic program until senior high school, continuing the scholars for master's in 1000 scholars program, and integrating service posts in healthcare service. These programs contribute to the product's more competitive human resources to reduce the poverty level in NTB. Furthermore, the NTB government needs to make policies that focus on creating more comprehensive jobs to overcome unemployment, opening comprehensive access to education, health, and financial services, and expanding the scope of GDP development in the economic structure sector to reduce the poverty level in NTB.

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