Investigation into Elements Influencing Poverty Rates in Eastern Indonesia

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Abstrak

This study investigates the factors influencing poverty rates in Eastern Indonesia. Given the complexity of the problem, this study uses a multidimensional approach to analyze the relationship between various social, economic, and geographical elements with poverty levels. Data analysis methods include primary and secondary data collection, as well as descriptive statistical techniques and regression analysis. The results highlight the role of infrastructure, education, access to healthcare, and economic factors in influencing poverty rates in the region. Policy implications include the need to increase investment in infrastructure, education, and skills training, as well as efforts to improve access to health services and economic empowerment of local communities.

Keywords: Poverty, Eastern Indonesia, Infrastructure

BACKGROUND

The eastern part of Indonesia, which includes regions such as Papua, West Papua, East Nusa Tenggara, Maluku and Southeast Sulawesi, is rich area diversity culture , sources Power nature , and potential economy . Although Thus , level poverty in this region Still become challenge serious that is necessary overcome . Exploration factors contributing to the level poverty in Eastern Indonesia is becoming important For understand complexity problem economic and social problems faced by the population there.

Development Inequalities :

Economic development in Indonesia is not evenly , and parts east tend experience significant inequality compared to with West Region . this factor can be one reason its height level poverty in this region .

Limited Access towards Education:

Education is key For reduce level poverty . Eastern part of Indonesia often face challenge access limited to education quality , which can be hinder development capacity people and opportunities economy .

Limitations Infrastructure :

Limited infrastructure in several eastern regions of Indonesia, such as roads , electricity , and telecommunications , can limit accessibility and connectivity economics , which has potential slow down growth economics and creating inequality .

Condition Challenging Geographical Areas :

A number of regions in Eastern Indonesia have condition difficult geography reachable , like islands remote and mountainous . This matter can difficult distribution source power , access to the market, and implementation of development programs .

Instability and Conflict :

A number of regions in Eastern Indonesia experienced this instability social and conflict that can be influence condition economics and causes uncertainty , which in turn can increase level poverty .

Management Unsustainable Natural Resources :

Exploitation source Power nature does not sustainable can give impact negative impact on the environment and economy local , which is in the end can increase level poverty . Exploration more carry on to factors This expected can give outlook deep about complexity problem poverty in Eastern Indonesia and help designing more policies effective For overcome challenge This .

THEORETICAL STUDY

Poverty

Poverty in Indonesia is still one of the problems that has not been resolved until now, Indonesia's poverty rate as of March 2022 has decreased again to 9.54%, from 9.71% in September 2021 (March 2021: 10.14%)

Education sector

From the data above we can see not only disadvantage but also very stark inequality. The factor that causes educational disadvantage in eastern Indonesia is the affordability of the educational facilities and infrastructure itself which are still far from perfect. From the illiteracy rate as well as the provinces and provinces. In Eastern Indonesia, it still dominates. From the data released by BPS, Papua is the highest with the illiteracy rate reaching more than 20% of the population experiencing illiteracy.

Regional GDP Value of Eastern Indonesia

In Eastern Indonesia, the GDP Sector his or still Lots donate income area his still in the field Agriculture and also from BPS rate data part of Indonesia's GRDP growth east from year to year Still left behind or relatively behind compared to right with western Indonesia

Tenga work and unemployment

In Indonesia itself, the workforce is very large There is 43.72 million people in the workforce in August 2022, with a labor force participation rate (TPAK) of 68.63% of the total working age population. And amount Unemployment is also very high , the Central Statistics

Agency (BPS) reported that Indonesia's unemployment figure was 8.42 million **people** in the August 2022 period, up from the previous 8.40 million people in February 2022. BPS noted that the working age population now stands at 209.4 million people, up 2.71 million people still related with Labor Unemployment in Eastern Indonesia is considered very high reached 16%.

RESEARCH METHODS

Study This focused main in variable Poverty seen through level poverty (Head Count Index) is an influencing factor poverty the The location of the data was taken in Indonesia east because Indonesia is part east a number of Province his Still become Province The poorest in Indonesia , data taken is data from 2017 to 2021 data room scope study ie from Eastern Indonesia including Gorontalo, West Sulawesi, Central Sulawesi, North Sulawesi, Bali, NTT, NTB, Maluku, North Maluku , West Papua and Papua.

Research methods used is approach study quantitative . In research This the type of data used in the form of secondary data . Secondary data here use Panel data method viz combined from cross section data from 10 provinces and time-series data from 2011-2021 . Writer choose 2010- 2021 due to the year renewable lack of study about variables that the author use in study . Data used in study This sourced from results Then , researchers use analysis regression panel method with apply the equation model in study this , as following :

RESULTS AND DISCUSSION

Normality Test and Assumptions Classic

Testing Normality and Assumptions Classic carried out in order to obtain the data that will be researched with unbiased and best results

From the results Testing Normality obtained that Jarque-Bera value (6.391074) < Chi- Square table (68.66929) and Prob value > (0.05), concluded that the data is normally distributed .

Multicollinearity Test Results

mark matrix correlation between variable independent more small of 0.80 then can said No happen multicollinearity in study This

Heteroscedasticity Test Results

From the results of the hetero test , it was obtained that mark $Chi\text{-}Square_{count} < Chi\text{-}Square_{table}$, concluded that No happen problem heteroscedasticity .

Test result Model Selection

Testing This For determine the best model possible used , researchers carry out selection tests technique estimation panel data regression , namely the Chow test and Hausman test.

Test Chow

From the results testing show mark *Prob . Cross-section Chi-Square* 0.0000 < α (α = 0.05), then Reject H0 which means the model used is *Fixed Effect Model* (FEM).

Husman Test

From the Husman Test results obtained mark *Prob . Cross-section random* 0.0001 < α (α = 0.05), meaning the model used is *Fixed Effect Model* (FEM). So that can concluded estimation model results Panel data regression is used in study This is *Fixed Effect Model*

Analysis Results FEM regression

You can find out mark from constant from every Province in Eastern Indonesia have different constant values when calculated use estimation panel data regression FEM *Cross-section Weight* . Pg This it's the one who influences it Every Provinces in IBT have factor different poverty .

From the results variable estimates can be known that IBT GDP variable shows influential in a way significant on poverty levels in 11 provinces in Eastern Indonesia in 2017-2021, results the proven with mark t $_{statistics}$ > t $_{table}$ of –0.194483 > - 2.04523 , value probability t $_{statistic}$ β $_1$ 0.08469 > α (α = 0.05). LMSKH No effect in a way significance is proven with value on the variable length of school t $_{statistic}$ 0.316327 < 2.04523 t $_{table}$ with mark Probability t $_{statistic}$ β $_2$ (0.7535) > 0.05, meaning the value of years of schooling influential negative and significant on Poverty Levels in Eastern Indonesia in 2017-2021. Next there is the variable Informal labor . You can find out t $_{statistic}$ -0.1081941 > t $_{table}$ -2.04523 with mark Probability t $_{statistic}$ β $_3$ (0.2863) > 0.05 , meaning Labor Informal t exists influence and significance on Poverty Levels in Western Indonesia in 2017-2021.

From the results analysis obtained that exists influence from GRDP variables Years of schooling, Energy informal work simultaneous to Poverty in 11 Provinces in Eastern Indonesia. The influence exerted by variables independent to variable dependent is significant . This matter proven from mark f $_{Stat}$ 30.36436 > 2.7862 f $_{table}$ with mark Probability F $_{statistic}$ 0.0000 < α (α = 0.05. The size The influence exerted by GRDP, Years of Schooling , Poverty Informal Labor in 11 Provinces in Eastern Indonesia in 2017-2021 is 88.41 percent and the remaining amounting to 11.59% influenced other factors do not including in study This .

Discussion

The Influence of Sector GRDP on Poverty

From the results analysis pointed out exists correlation between these two variables where This is the same like The theory put forward is the theory of poverty basis in Indonesia according to Amartya Sen in (Arifin, 2004:22), in fact comprehensive living in Indonesia inner

west poverty No only fact that problem Poverty in IBT is average own income below minimum or own income No worthy or " consequence " of something poverty , but rather more Lots fact about poor access or " cause " of happen something poverty .

Effect of years of schooling to poverty

From the results research from the results analysis obtained that characteristic connection between resulting variables is negative meaning if the Old variable seems experience enhancement or decline so will cause decline or opposite increase direction with Poverty in 11 Provinces in Eastern Indonesia.

The Influence of Informal Labor on Poverty

There is connection or correlation in which When occurs Enhancement or decline in informal labor then will lower or reduce the poverty rate too

CONCLUSION

Based on results GDP, old Schools and Informal Labor towards Poverty in Eastern Indonesia, then can obtained conclusion in a way Partial that is

      a) GRDP has an effect positive and significant to Poverty in Eastern Indonesia

      b) Years of school influential negative and significant to Poverty in Eastern Indonesia

      c) Labor informsl influential positive and significant to Poverty in Eastern Indonesia

As for simultaneous namely GDP, Years of Schooling and Influential Informal Labor in a way simultaneous to Poverty in Indonesia Part of Indonesia

Regulations about alleviation poverty should notice characteristics poverty each region. Especially in the Indonesian region with problematic poverty , still Java still centrist too become one factor lagging behind everything , the current Indonesian government This Still strive For No Java centrist with build A number of Facility like Circuit sucking mandalika attention Enough big and improving economy in the region, however Still Lots matter thing still needs to be improved in Eastern Indonesia , such as basic food prices , infrastructure Road schools and others

types of alleviation programs poverty is implemented government can seen based on the development model that underlies these programs For see point the weight of the strategy implemented by the program . The development model adopted by developing countries outline divided in four development models . Development model I drips emphasize growth income national . Development model II focuses on equality and fulfillment need main / basic .

Development model III seeks increase quality source Power man through participation society and groups target in determine needs and participation in the development process .

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