



Analysis Of Factors Affecting Poverty In The Special Region Of Yogyakarta In 2017-2022

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Abstract

This research aims to determine the influence of the Human Development Index, Gross Regional Domestic Product and Unemployment on poverty in D.I. Yogyakarta 2017-2022. This research uses samples of poverty, HDI, GRDP and Unemployment data from 5 districts/cities in D.I. Yogyakarta over a period of 6 years, namely 2017 to 2022. The method used in the research is quantitative using secondary data sourced from data from the Central Statistics Agency. Data were analyzed using panel data analysis using the Fixed Effect Model (FEM). The research results showed that the Human Development Index variable (X1) showed a negative sign and was not significant for poverty in D.I. Yogyakarta, the Gross Regional Domestic Product variable (X2) shows a negative sign and is not significant for poverty in D.I. Yogyakarta and the Unemployment variable (X3) shows a positive and significant sign of poverty in D.I. Yogyakarta. Simultaneously, the variables Human Development Index, Gross Regional Domestic Product and Unemployment together influence poverty in D.I. Yogyakarta.

Keywords: Human Development Index, Gross Regional Domestic Product, Unemployment, Poverty, Panel Data Regression.

INTRODUCTION

Poverty is one of the most complex social challenges around the world. Although economic progress has lifted millions of people out of poverty, a large number of the population remains trapped in a cycle of poverty that is difficult to escape.

According to the World Bank, no less than 700 million individuals live on a daily income





of less than \$2.15, which is the extreme poverty line. The phenomenon of extreme poverty is still a significant problem in several parts of the world, areas prone to armed conflict, and rural areas (Bank, 2024).

One of the problems still faced by Indonesia is the problem of poverty. The problem of poverty is a complex and multidimensional problem so that it becomes a development priority. So far, the Indonesian government has had many programs to eradicate poverty (Ferezagia, 2018). The purpose of development is to improve the economy so that it can create job opportunities and improve the standard of living for all citizens, which will ultimately lead to an increase in the welfare of the Indonesian people. One of the targets of national development is to reduce the poverty rate of the population. Poverty is a serious problem in the economic context and needs to be addressed.

The number of poor people in D.I. Yogyakarta, according to 2022 data, reached 454.76 thousand people, down from the previous year which recorded 506.45 thousand people in 2021. On the other hand, the number of poor people in Indonesia as a whole decreased from 27,542.77 thousand people in 2021 to 26,161.16 thousand people in 2022. However, although the number of poor people in Yogyakarta decreased from the previous year, this event has still fluctuated in recent years, with the highest record occurring in 2017 at 488.53 thousand people. On the other hand, Indonesia as a whole has also experienced a decrease in the number of poor people from year to year, although on a larger scale. This shows that there are efforts to eradicate poverty at the provincial and national levels, but further analysis is needed to understand the factors that influence this fluctuation.

The percentage of poor people in the regencies/cities of Yogyakarta Province from 2017 to 2022, can be observed a general downward trend. Kulon Progo Regency, although experiencing fluctuations, showed a fairly stable decline from 20.03% in 2017 to 16.39% in 2022. Bantul also experienced a similar trend, with the percentage of poor people falling from 14.07% in 2017 to 12.27% in 2022. Gunungkidul and Sleman also showed a significant decline from year to year, although with minor fluctuations. However, Yogyakarta, as the provincial capital, also experienced a significant decline from 7.64% in 2017 to 6.62% in 2022. Overall, Yogyakarta Province recorded a significant decline in poverty rates in most of its areas during the period. Population is a fundamental problem for poverty because irregular population growth can cause people's welfare not to be achieved so that there is an influence between population growth and poverty (Didu & Fauzi, 2016).

The quality of human resources is a factor causing poverty, this can be seen from the human development index which consists of three dimensions, namely health, education and





purchasing power, this is a development indicator that is negatively correlated with poverty conditions in the area, therefore the higher the HDI value in an area, the ideally the quality of life of the community will be better and the poverty rate will also be low (Fahrika et al., 2020).

Good economic growth, reflected in changes in Gross Regional Domestic Product (GRDP), indicates the success of development in a region, because GRDP reflects the total value of goods and services produced by all economic sectors. The economic development of a region is described based on the GRDP growth rate at constant prices (Todaro & Smith, 2008 in Hasibuan et al., 2022).

According to Purnomo & Kusreni (2019), another problem that can cause poverty is revealed in Purnomo and Kusreni's research, namely a high workforce but very limited job opportunities so that labor absorption has an impact on poverty, because the large number of workers absorbed is considered an important factor in regional development, this is expected to reduce poverty rates. However, if labor absorption is not accompanied by a decrease in poverty, then it is necessary to improve the quality of employment by providing social security to workers. The number of people working in D.I. Yogyakarta is very slow because companies in D.I. Yogyakarta do not have high capacity to absorb labor.

Based on this background, a more in-depth study is needed on **“Analysis of Factors Influencing Poverty in D.I. Yogyakarta in 2017-2022”**.

Problem Formulation

Based on the background description, the following problem formulations can be formulated:

- a. How does the Human Development Index (HDI) affect poverty in D.I. Yogyakarta?
- b. How does the Gross Regional Domestic Product (GRDP) affect poverty in D.I. Yogyakarta?
- c. How does unemployment affect poverty in D.I. Yogyakarta?
- d. How do the Human Development Index, Gross Regional Domestic Product and Unemployment affect poverty in D.I. Yogyakarta?

Research Objectives

The objectives of this study are:

- a. To analyze the influence of the Human Development Index (HDI) variable on poverty in D.I. Yogyakarta





- b. To analyze the influence of the Gross Regional Domestic Product (GRDP) variable on poverty in D.I. Yogyakarta
- c. To analyze the influence of the Unemployment variable on poverty in D.I. Yogyakarta
- d. To analyze together the influence of the Human Development Index (HDI), Gross Regional Domestic Product (GRDP), and Unemployment variables on poverty in D.I. Yogyakarta

Benefits of research

The benefits of this research are:

- a. Empirical benefits, this study is expected to add to the literature on the discussion of the influence of Human Development (HDI), Gross Regional Domestic Product (GRDP), and Unemployment on poverty in D.I. Yogyakarta which can later be used as a consideration by the D.I. Yogyakarta government to eradicate poverty.
- b. Theoretical benefits, this study is expected to increase insight and knowledge regarding the factors that influence poverty, and is expected as a means of developing scientific knowledge that is theoretically studied in college.
- c. Benefits for researchers, it is hoped that this study will be used as an understanding for researchers and become useful knowledge for researchers in efforts to eradicate poverty in a region.

LITERATURE REVIEW AND HYPOTHESIS

Poverty

Etymologically, "poverty" comes from the word "poor" which means having no property and lacking everything. The Central Bureau of Statistics describes poverty as a person's inability to meet the minimum basic needs for a decent life. This is stated as a condition where an individual is below the standard value line for minimum needs, including food and non-food, known as the poverty line or poverty threshold. According to Sen in Wu et al. (2019) argues that the true meaning of poverty is the inability of poor people to generate income and opportunities, meaning that poor people do not have the ability to access and enjoy a normal life.

In general, poverty can be grouped into four categories:

- a. a. Absolute Poverty. A person is considered absolutely poor if his/her income is below the poverty line and is not enough to meet his/her basic living needs. This concept is





intended to determine the minimum income level that is sufficient to meet the physical needs for food, clothing, and housing to ensure survival. This concept aims to set a minimum income standard that is sufficient to meet basic needs such as food, clothing, and housing, thus ensuring survival.

- b. b. Relative Poverty. Relative poverty is a situation where an individual or group has been able to meet their basic living needs, but is still much lower than the conditions of the surrounding community. Based on this concept, poverty will change if the standard of living of the community changes so that this concept of poverty is dynamic or will always exist.
- c. c. Cultural Poverty. The condition of cultural poverty is when the attitude of the individual or group of people does not want to try to improve their standard of living even though there are efforts from other parties to help them or in other words, a person is poor because of his/her own attitude, namely being lazy and not wanting to improve his/her condition.
- d. Structural Poverty. Structural poverty is a situation of poverty caused by low access to resources that occurs in a socio-cultural and socio-political system that does not support poverty eradication, but often causes poverty to flourish.

Human Development Index (HDI)

The human development index explains how people can access development outcomes in terms of income, health, education, and so on (Raharti et al., 2020). According to the United Nations Development Program (UNDP), human development is creating an environment where people can develop their full potential and live productive and creative lives according to their needs and interests (Hou et al., 2015). Humans are the main asset for a country. Development aims to expand the options available to people so that they can live according to the values that are important to them.

The economic growth of a country is not only supported by an increase in physical capital and the number of workers, but is also determined by an increase in the quality of human resources and the use of technology (Ari et al., 2021). A country's economic growth is influenced by improvements in the quality of human resources (human capital). Quality human resources will have a positive impact on economic growth.

Components of the Human Development Index (HDI) include Life Expectancy at Birth (AHH), Average Years of Schooling (RLS), Expected Years of Schooling (HLS), and Adjusted Expenditure per Capita. AHH reflects public health and is calculated using census and survey



methods. RLS measures the years of formal education received by the population aged 25 years and over, while HLS estimates the expected years of education in the future for children aged 7 years and over. Per capita expenditure is adjusted based on the value of expenditure and purchasing power parity, using data from Susenas and the purchasing power parity calculation method with 96 commodities.

Gross Regional Domestic Product (GRDP)

Economic growth or an increase in GRDP is one of the important measures and indications to assess the success of a region's economic development in terms of its economy. According to Thahir et al. (2021) economic growth is defined as an increase in Gross Domestic Product or Gross National Income regardless of whether the increase is greater or less than the population growth rate or whether changes in economic structure occur or not. According to Todaro & Stephen (2011) Economic growth is an increase in the long-term capacity of the country concerned to provide economic goods to its population which is determined by the progress or adjustment of technology, institutions (institutions), and ideology to various demands of existing conditions. According to Suartha & Yasa (2017) assessing economic progress requires the use of accurate measurement instruments. Some instruments for measuring economic growth include:

a. Gross Domestic Product (GDP)

GDP, or Gross Regional Domestic Product (GRDP) at the regional level, is the total value of final goods and services produced in a year. While GDP and GRDP are measures of the global economy, they do not fully reflect the well-being of the population, which should be shared by everyone in a country or region.

a. Gross Domestic Product Per Capita

Gross Domestic Product per capita, at both the national and regional levels, provides a more accurate picture of the well-being of the population than GDP or GRDP alone. It is calculated by dividing the total GDP or GRDP by the population, giving an average value for each country or region.

Unemployment

According to Mahsunah (2013), unemployment is defined as those who are of working age and are looking for work at the prevailing wage rate. Meanwhile, according to Suparmoko (2007), unemployment is "the inability of the workforce to obtain work according to what they need or want."



According to Blatna (2019) the unemployment rate is one of the most frequently observed labor market and social conditions. economic indicators, which measure the percentage of unemployed aged 25-64 in the labor force (i.e. people who are working or looking for work). Unemployment is generally defined as people who are unemployed who are making efforts to find work and are currently available for work.

According to (Sukirno, 2003), the classification of types of unemployment is as follows:
Unemployment Based on Causal Factors:

- a. Normal or Frictional Unemployment, unemployment that occurs at the level of full employment. Full employment is a condition where about 95 percent of the workforce at any given time is fully employed. Unemployment of 5 percent is called natural unemployment. These unemployed people are not because they do not get a job, but because they are looking for a better job or one that is more in line with their wishes.
- b. Structural Unemployment, structural unemployment is unemployment caused by structural changes in the economy.
- c. Cyclical Unemployment, unemployment caused by excess natural unemployment and occurs as a result of a reduction in aggregate demand. The decrease in aggregate demand causes companies to reduce the number of workers or go bankrupt, thus causing cyclical unemployment.
- d. Technological unemployment, unemployment caused by the use of machines and other technological advances.

Pengangguran Berdasarkan Cirinya:

- a. Open Unemployment, this unemployment is created as a result of the addition of lower job opportunity growth than the growth of the workforce, as a result many workers do not get jobs. According to the Central Statistics Agency (BPS), open unemployment is the population that has entered the workforce but does not have a job and is looking for work, preparing a business, and already has a job but has not started working.
- b. b. Hidden Unemployment, a situation where a type of economic activity is carried out by a workforce that exceeds the amount needed.
- c. c. Seasonal Unemployment, a state of unemployment during certain times of the year. This unemployment usually occurs in the agricultural sector. Farmers will be unemployed while waiting for the planting season and during the break between the planting season and the harvest season.
- d. d. Underemployed, a situation where someone works below normal working hours. According to the Central Statistics Agency (BPS), in Indonesia the normal working hours



are 35 hours a week, so workers who work below 35 hours a week are included in the underemployed group.

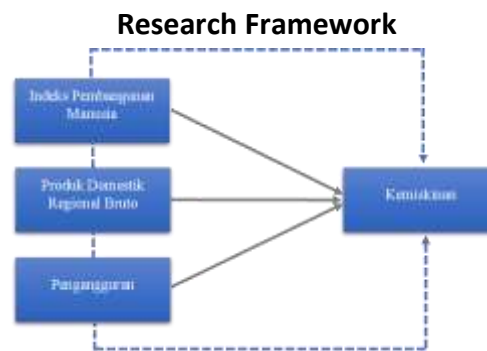


Figure 1 research framework

HYPOTHESIS

Based on the theoretical framework above, the following hypothesis can be formulated:

1. Human Development Index (HDI) is suspected to have a negative and significant effect on poverty in D.I. Yogyakarta.
2. Gross Regional Domestic Product (GRDP) is suspected to have a negative and significant effect on poverty in D.I. Yogyakarta.
3. Unemployment is suspected to have a positive and significant effect on poverty in D.I. Yogyakarta.
4. Human Development Index (HDI), Gross Regional Domestic Product (GRDP) and Unemployment are suspected to have a simultaneous effect on poverty variables in D.I. Yogyakarta.

RESEARCH METHODS

Operational Definition

Variables		Symbol	Measuring Scale	Source
Poverty	Dependent Variables	POV	Thousands	BPS
Human Development Indeks	Independent Variables	HDI		BPS

Gross Regional Domestic Product	Independent Variables	GDRP	Millions	BPS
Unemployment	Independent Variables	UPM	Person	BPS

Data Collection Methods

This study uses secondary data obtained from related literature such as books, journals, articles, research, both printed media and internet search results. The main source comes from data released by the Central Statistics Agency in the form of official statistical news, dynamic tables and other publications on the internet. This study is a quantitative study in 4 districts and 1 city in D.I. Yogyakarta for a period of 6 years, namely 2017 to 2022.

Data Analysis Techniques

Data analysis using panel data regression estimation, which is a combination of cross-section and time series data, where the same cross-section unit is measured at different times. Panel data regression analysis is a regression analysis based on panel data to observe the relationship between one dependent variable and one or more independent variables (Jaya & Sunengsih, 2009). The panel data in this study consists of 5 cross-sectional data and 6 time series data so that 30 observation objects are obtained..

DATA ANALYSIS AND DISCUSSION

Model Estimation

a. Chow test

Table 1 Results of the redundant fixed effects-likelihood ratio test

Effects Test	Probability
Cross-section F	0.0000
Cross-section Chi-square	0.0000

Source: Data processing results, EvIEWS 12

The results of the Chow Test show that the cross section F is 211.901638 with a

probability of 0.0000 and significant at $\alpha = 5\%$. Because the probability of the cross section F is significant at 5%, thus the decision-making model used is Fixed Effect:

b. Hausman Test

Table 2 Results of correlated random effects-hausman test

Tes Summary	Chi-Sq. Statistic	Probability
Cross-section random	764.288424	0.0000

Source: Data processing results, EvIEWS 12

From the test results, it can be seen that the random cross section is 764.288424 with a probability of 0.0000 and significant at $\alpha = 5\%$. Because the probability of the random cross section is significant at $\alpha = 5\%$, thus the decision-making model used is Fixed Effect.

Classical Assumption Test

a. Normality Test

The normality test aims to test whether in the regression model, the confounding variables or residuals have a normal distribution. As is known, the t and F tests assume that the residual values follow a normal distribution (Ghozali & Ratmono, 2017).

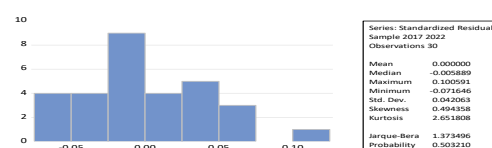


Figure 2 Normality Test Results

Source: Data processing results, EvIEWS 12

Based on the normality test above, the probability of 0.503210 shows that the probability is $> 5\%$, so it can be concluded that the data is normally distributed.

b. Multicollinearity Test

The multicollinearity test aims to test whether the regression model has a correlation between independent variables or not, if the correlation coefficient between independent variables is more than 0.90 then it can be concluded that the model has a multicollinearity

problem. Conversely, if the correlation coefficient between variables is less than 0.90 then the model is free from multicollinearity problems. This is in accordance with Hendrianto's research which states that the coefficient value between independent variables has a value <0.90 which can be concluded that the data used is free from multicollinearity elements (Hendrianto et al., 2022).

Table 3 Multicollinearity Test Results

	HDIX1	GRDPX2	UX3
HDI (X_1)	1.000000	0.810803	0.718832
GRDP (X_2)	0.810803	1.000000	0.880540
U (X_3)	0.718832	0.880540	1.000000

Eviews 12 processing data source

Based on the results of the multicollinearity test above, all correlation coefficients are less than 0.90 so it can be concluded that the model is free from multicollinearity problems. This is in accordance with research (Kristiana & Annisa, 2022).

a. Heteroscedasticity Test

The heteroscedasticity test aims to test whether the regression model has unequal variances from the residuals of one observation to another.

Table 4 Heteroscedasticity Test

Variable	Coefficient	Std. Error	t-Statistic	Probability
C	-1.015342	2.090829	-0.485617	0.6320
HDI (X_1)	-0.025152	0.026383	-0.953363	0.3508
GRDP (X_2)	0.157729	0.234867	0.671566	0.5089
UPM (X_3)	0.041308	0.024876	1.660564	0.1110

Eviews 12 processing data source

Based on the results of the table above, it can be seen that the independent variables do not show signs of heteroscedasticity, because the probability result value is more than 0.05. It is explained that the residual value is not significantly correlated with the variable. This is in accordance with research (Priseptian & Primandhana, 2022).

a. Autocorrelation Test

The autocorrelation test aims to test whether in a linear regression model there is a correlation between the disturbance errors (residuals) in period t with the errors in period $t-1$

(previously) (Gozali, 2006). The way to detect the presence or absence of autocorrelation is by using the Durbin-Watson test (DW test). A good regression model is a regression model that is free from autocorrelation. Decision making on the presence or absence of autocorrelation is based on the following provisions: (1) A DW number above +2 means there is negative autocorrelation. (2) A DW number between -2 and +2 means there is no autocorrelation. (3) A DW number below -2 means there is positive autocorrelation.

Table 5 Autocorrelation Test

Durbin-Watson stat	1.989984
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EvIEWS 12 processing data source

From the output results in the table above, it can be concluded that the Durbin Watson profitability value is 1.989984, so it can be ascertained that the model does not experience autocorrelation symptoms. This is in accordance with research (Meidiawati, 2016).

Statistical Analysis

Based on the model selection that has been carried out, the fixed effect model was selected as the best model for estimation.

a. Determinant Coefficient (R²)

The value of the determinant coefficient (R²) is 0.992, which means that the independent variables, namely the human development index, gross regional domestic product, and unemployment are able to explain the dependent variable, namely the factors that influence the poverty rate, by 99.20%. While the remaining 0.80% is influenced by other variables outside the model. According to Gujarati (2013), the closer the R² value is to 1, the better the independent variable can explain the influence on the dependent variable.

b. F Test

The F test is used to determine whether the variables simultaneously affect the dependent variable or not. Based on the results that have been tested, the F-statistic obtained is 528.0426, the probability of the F-statistic is 0.0000 < α 5%, which means that H₀ is rejected, H_a is accepted. The independent variables, namely, the human development index, gross regional domestic product, and unemployment simultaneously have namely affecting poverty.

c. T-test

The T-test is used to determine whether or not there is an influence of the independent variable on the related variable individually and is considered a more constant independent

variable.

Variable	Coefficient	Std. Error	t-Statistic	Probability
C	9.524572	3.940100	2.417342	0.0244
HDI (X ₁)	-0.016461	0.049717	-0.331096	0.7437
GRDP (X ₂)	-0.297197	0.442600	-0.671480	0.5089
UPM (X ₃)	0.122400	0.046878	2.611049	0.0160

Table 5 Regression Results

Based on the analysis of the T-test results, the hypothesis is as follows:

- Testing of the human development index variable (X₁). Based on data processing using Eviews 12. Variable X₁ has a t-statistic value of -0.3310 with a Prob. value (significance) of 0.7437, the value is greater than 0.05, so it can be concluded that variable X₁ does not have a significant effect on variable Y.
- Testing of the gross domestic regional product variable (X₂). Based on data processing using Eviews 12. Variable X₂ has a t-statistic value of -0.6714 with a Prob. value (significance) of 0.5089, the value is greater than 0.05, so it can be concluded that variable X₂ does not have a significant effect on variable Y.
- Testing of the unemployment variable (X₃). Based on data processing using Eviews 12. Variable X₃ has a t-statistic value of 2.6110 with a Prob. value. (significance) of 0.0160, this value is less than 0.05, so it can be concluded that variable X₃ has a significant effect on variable Y.

DISCUSSION

Based on the regression coefficient value for each variable in the study with the following equation:

$$POV = 9.524572 - 0.016461HDI - 0.297197GRDP + 0.122400UPM$$

Interpretation of the regression results of the influence of HDI, GRDP and Unemployment on poverty in D.I. Yogyakarta in 2017-2022 as follows:

The Influence of the Human Development Index (HDI) on Poverty

The Human Development Index variable in this study shows a negative sign and is not significant for poverty, in accordance with the study (Saragih et al., 2022). The study explains



that the Human Development Index has no significant effect on the poverty rate in Indonesia in 2007-2021.

According to research by Azzahra et al. (2022), explains that the Human Development Index has a negative and significant effect on the Human Level per Province in Indonesia in 2015-2020. If a person's income increases, the population will live above the poverty line and be able to meet their basic needs. The quality of good human resources is indicated by high education and will also lead to high productivity. This is what breaks the cycle of poverty.

Yurina's research showed different results from Yurina & Mislal's research (2023) which explained that the human development index (HDI) variable had a positive but insignificant effect on poverty in Aceh Province. The same results were also explained by Harsono in the research of Harsono et al. (2024), in which the study explained that partially the HDI variable had a positive and insignificant effect on poverty in South Sulawesi Province. This means that the influence of the HDI in reducing poverty in South Sulawesi Province cannot yet be used as a tool to eradicate poverty. Where the poverty conditions in South Sulawesi Province have a unidirectional relationship with the HDI. When the HDI increases, poverty in South Sulawesi Province also increases.

HDI is a variable that explains human development or the quality of human resource development in Indonesia. Where when the quality of human resources increases, the productivity of the Indonesian people will also increase. When the productivity of the Indonesian people increases, it will reduce the poverty rate because people are more productive in earning income. This is in accordance with Fatkhul Cholili's research which proves that HDI has a negative and significant effect on the number of poor people in Indonesia. The decline in poverty when HDI increases is an indication that an increase in HDI is an indication of the high quality of human resources which will result in increased work productivity of the population which can increase income. With increased income, people will be able to meet their living needs and can reduce poverty levels (Cholili, 2014).

The development of the DIY Human Development Index continues to progress along with the development of the National Human Development Index. Since 2010, the DIY Human Development Index has increased by 5.37 points from 75.37 to 80.64 in 2022. This shows that the average growth is 0.57 percent/year. The growth of the DIY Human Development Index is still below the national level, which in the 2010-2022 period increased by 6.38 points (an average growth of 0.77 percent/year). The difference (gap) in the Human Development Index value is getting smaller from 8.84 points in 2010 to 7.73 points in 2022 (down 1.11). At the Regency/City level in DIY, the development of the Human Development Index is very good,





because the status achievements are high and very high and none have low status. The highest Human Development Index achievement was obtained by the City of Yogyakarta at 87.69 and at the same time became the highest achievement in Indonesia. The next HDI achievements that fall into the very high category are Sleman Regency and Bantul Regency at 84.31 and 80.69. Meanwhile, the HDI achievements with a high category are Kulon Progo Regency and Gunungkidul Regency at 75.46 and 70.96 respectively (Rahman, 2024).

The Human Development Index is composed of three main dimensions, namely health, knowledge, and a decent standard of living. To assess the health dimension, the indicator of life expectancy at birth is used. The knowledge dimension is measured by combining literacy rates and average length of schooling. Meanwhile, the decent life dimension is measured through the indicator of people's purchasing power for basic needs, which is reflected in the average expenditure per capita. Poor communities generally have low incomes. With low incomes, spending on basic needs such as food, shelter, clothing, health, and education also tends to be low. This condition has an impact on the decline in the value of the HDI measurement components. Therefore, it can be concluded that the HDI has a correlation with the poverty rate.

The Effect of Gross Regional Domestic Product (GRDP) on Poverty

The Gross Regional Domestic Product variable in this study shows a negative sign and is not significant for poverty, in accordance with research (Ritonga & Wulantika, 2020). In this research by Ritonga and Wulantika, it shows that GRDP has a negative effect, meaning that if there is an increase in economic growth (GRDP), it will reduce the poverty rate in Batu Bara Regency.

According to Shaleh et al., (2021), an increase in the growth of Gross Regional Domestic Product indicates an increase in demand for goods and services, meaning that people's needs for goods and services will increase, so that indirectly with an increase in the growth of Gross Regional Domestic Product, it can reduce poverty which is always identified with the inability of people to meet their needs. It can be said that when the economy of a region increases, the Poverty Rate will decrease.

Research conducted by Harsono shows different results from the research of Harsono et al. (2024) explaining that, partially the GRDP variable has a positive and significant effect on poverty in South Sulawesi Province. Similar results were also explained by Pertiwi in the research of Pertiwi & Purnomo (2022), explaining that Gross Regional Domestic Product has a positive but insignificant effect on the poverty rate. This means that the increase in Gross Regional





Domestic Product (GRDP) in Lampung Province is correlated with the spike in poverty rates. This relationship shows that even though GDP has increased, poverty is still a persistent problem. For example, an increase in GDP of only 1% will cause an increase in poverty rates of 0.640%, which indicates that there is no major impact on poverty alleviation even though there is economic growth.

The economic growth of DIY in the fourth quarter of 2022 compared to the fourth quarter of 2021 (y-on-y) reached 5.53 percent, showing an increase compared to growth in the same period the previous year which only reached 2.84 percent. This increase was mainly driven by growth in the accommodation and food supply, construction, and financial services sectors, all of which recorded double-digit growth of 15.85 percent, 14.60 percent, and 13.40 percent, respectively. All business sectors, except agriculture, experienced positive growth. The improvement in the economic situation, followed by improving post-pandemic conditions, had a positive impact on tourists' interest in visiting DIY. Not only was there a significant increase in the number of visits, but also the duration of tourist visits. The hotel booking rate even exceeded predictions, reaching its highest level since the start of the pandemic. In addition, spending per tourist also experienced a significant spike, increasing by around 22 percent from the target set. On the other hand, the realization of capital expenditure from the APBD for construction projects in DIY also increased by 25.73 percent year-on-year (yoy). One of the major projects currently underway is the construction of the Yogya-Bawen toll road section one which is planned to be operational in 2024 (BPS, 2023).

Fair and equitable distribution of the results of Gross Regional Domestic Product (GRDP) growth will affect development in all employment sectors and has the potential to reduce poverty levels. Inadequate products can have an impact on welfare and other social problems related to poverty levels. Gross Regional Domestic Product (GRDP) growth is considered an indicator of development success and is an absolute requirement in efforts to reduce poverty levels in D.I. Yogyakarta. The success criteria are that GRDP growth must be effective in reducing poverty levels, which means that GRDP growth must be evenly distributed across all levels of society, including among the poor in D.I. Yogyakarta. Therefore, GRDP growth in each business sector is very important in efforts to reduce and overcome poverty levels in D.I. Yogyakarta.

The Impact of Unemployment on Poverty

The Unemployment variable in this study shows a positive and significant sign on poverty, in accordance with the study (Suadnyani & Darsana, 2018). In this study by Suadnyani and Darsana, it shows that when the unemployment rate in an area increases, the poverty rate





in that area will increase.

According to Widiastuti & Kosasih (2021) in their research entitled The Influence of ZIS, Economic Growth, Unemployment and Inflation on Poverty Levels in Indonesia, it explains that unemployment partially has a positive and significant effect on poverty levels, meaning that if there is an increase or decrease in the unemployment rate, it will have a direct effect on poverty levels. Supporting other research conducted by (Khamilah, 2018) which states a positive and significant effect of the unemployment variable on poverty levels. So it means that every increase in unemployment has an impact on the poverty level which will increase. Unemployment occurs when individuals who are ready to work look for work but face difficulties due to the lack of available job opportunities. This can lead to poverty due to lack of sources of income or inequality in income distribution.

Research conducted by Harsono shows different results from research by Harsono et al. (2024) explaining that, partially the GRDP variable has a positive and significant effect on poverty in South Sulawesi Province. Similar results were also explained by Pertiwi in the research of Pertiwi & Purnomo (2022), explaining that Gross Regional Domestic Product has a positive but insignificant effect on the poverty rate. This means that the increase in Gross Regional Domestic Product (GRDP) in Lampung Province is correlated with the spike in poverty rates. This relationship shows that even though GDP has increased, poverty is still a persistent problem. For example, an increase in GDP by only 1% will cause an increase in poverty rates of 0.640%, which indicates that there is no major impact on poverty alleviation even though economic growth occurs. Research conducted by Ipmawan shows different results. The results of the research by Ipmawan et al. (2022) explain that, the regression coefficient of the unemployment rate (LN_X2_Unemployment Rate) is 1.080. This means that if all other independent variables remain constant and the unemployment rate increases by 1 unit, the poverty rate (LN_Y_Poverty Rate) will decrease by 0.195 units. Similar results were also explained by Sinaga in Sinaga's research (2020), showing that unemployment has a negative and significant effect on poverty. Based on Sinaga's research results, it can be concluded that based on the unemployment regression coefficient value of -0.295, it shows that if unemployment increases by 1% and other variables remain constant, poverty will decrease by 0.295%.

The Labor Force Unemployment Rate (TPAK) in D.I. Yogyakarta in February 2022 reached 74.68 percent, showing an increase of 1.87 percentage points from February 2021 which was 72.81 percent. Based on gender, the TPAK for men is higher than for women. The TPAK for men reached 82.04 percent, while for women it reached 67.59 percent.

The Open Unemployment Rate (TPT) in D.I. Yogyakarta in February 2022 was 3.73





percent, a decrease of 0.55 percentage points from February 2021 which reached 4.28 percent. When compared to August 2021, there was a decrease of 0.83 percentage points. The TPT for men was lower than for women, with the TPT for men being 3.54 percent and for women being 3.95 percent. When viewed from the type of area, the TPT in urban areas is higher than in rural areas, with the TPT in urban areas reaching 4.06 percent and in rural areas reaching 2.94 percent (BPS, 2022).

CONCLUSION AND SUGGESTIONS

Based on the test results with Human Development Index, Regional Development Budget and Unemployment data with the Fixed Effect model, the research results can be concluded as follows:

- a. The relationship between the IPM variable shows a negative sign and is not significant. Human Development Index of D.I. Yogyakarta.
- b. The relationship between the GRDP variable shows a negative sign and is not significant. Growth of Gross Regional Domestic Product in D.I. Yogyakarta.
- c. The relationship between the unemployment variable has a positive and significant influence on poverty in D.I. Yogyakarta.
- d. The independent variables, namely, the human development index, gross regional domestic product, and unemployment together have a simultaneous influence on the dependent variable, namely influencing poverty.

Suggestions

- a. The government is trying to expand the benefits of development so that they can be felt by more citizens in each district/city. This is due to the fact that the Human Development Index covers various aspects such as education, health, and economy, which require the development of these sectors to improve the quality of life.
- b. The D.I. Yogyakarta government is expected to increase the total production of goods and services in all districts/cities in the region to improve the Gross Regional Domestic Product. In addition, it is important for the government to focus on the small and medium business sector by providing direct support, in order to strengthen their businesses and encourage GRDP growth, as well as reduce poverty significantly.
- c. The government needs to update data on the workforce, workers, and unemployment to design economic programs that can empower communities, increase income, and reduce poverty. In addition, it is important to analyze the causal relationship between





open unemployment and poverty in D.I. Yogyakarta. With this analysis, it is hoped that the problem of poverty in the region can be addressed, considering that research shows a positive and significant relationship between unemployment and poverty.

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