



Analysis Of Influencing Factors Poverty in East Nusa Tenggara Province 2016–2020

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Abstract

The overall destitution rate in the East Nusa Tenggara District is still high, still above the level of public need. This study means to analyze the factors that influence the System/City Destitution Level in the East Nusa Tenggara Locale in 2016-2020. Board information relapse examination is the examination utilized in this review. The free factors utilized in this study were the Human Advancement Record, Area The lowest pay permitted by law, Labor supply, Government Consumption, and Training Level; while the reliable variable utilized is the Neediness Level. The information utilized is information from 22 rules/urban communities in East Nusa Tenggara Region in 2016-2020. The outcomes showed that the best evaluation model was the Fixed Effect Model (FEM). The model exists, with a coefficient (R²) of 0.998260. Labor and Government Consumptions were found to adversely affect the Destitution Level in the Regime/City of East Nusa Tenggara Territory in 2016-2020, while the Human Improvement File, Locale The lowest pay permitted by law, and Training Level factors affected the Neediness Level.

1. INTRODUCTION

One of the signs of progress is by expanding financial development, it is believed that high monetary development can reduce unemployment or existing needs. In addition to financial developments, one of the perspectives used to view the presentation of monetary progress is the way that encourages the utilization of available assets (Yacoub, 2012).

Based on poverty itself in developing countries is a really messy problem, implying that poverty is a problem faced and a concern in every country. The condition of the needs of a nation or region is also an illustration of the degree of government assistance to the population living in that country/region. The issue of poverty is one of the fundamental problems faced from the past until now. Poverty is generally seen as a lack of money, but also a failure to fulfill important opportunities and differential treatment for a person or group in leading a respectable life. Basic respect that is commonly felt includes meeting the need for food, government assistance, schools, businesses, shelter, clean water, land, unique resources, the

environment, a sense of security from cruel treatment or risk, and the decision to participate in public activities. political. There are many bad effects caused by poverty, in addition to the development of various social problems, poverty can affect the improvement of a country's economy (Sukmaraga, 2011).

The province of East Nusa Tenggara (NTT) is one example of a region who are still experiencing the problem of poverty and poverty alleviation. The province of East Nusa Tenggara is a dry tropical area with a fairly long dry season, resulting in barren and arid land occurring about 8 months per year with unevenly distributed rainfall. Routine problems faced by residents almost every year are drought and food insecurity. The Province of East Nusa Tenggara involves the third situation with the most prominent poverty rate after Papua and West Papua. The high level of poverty in each Regency/City in the East Nusa Tenggara Region has made this region continue to be hit by problems of need. The issue of needs is a serious plan that is being faced and must be taken care of, one of which is the Regional Government of East Nusa Tenggara.



Every year the population will become a problem for the East Nusa Tenggara Provincial government if it cannot be controlled, because if the population continues to grow it will cause higher poverty rates. (A. Kusuma & Octastefani, 2019).

The diversity of poverty levels in these districts is due to differences in quality between locales within the *territory area*. These differences give rise to linkages/associations between regions. The existence of geological or spatial proximity and financial closeness strengthens the exchange of information and data dissemination or through strategies carried out in a space whose influence is felt in other areas that include. In this way, there are similarities in the number of poverty rates in the closest geological area which shows local conditions or linkages (Setiawati & Setiawan, 2012).

(Maipita, 2014) Poverty is the powerlessness to consume basic needs such as food, clothing, safe housing and medicines. Need is a failure to meet the basic guidelines of life. Furthermore, they tend to reason that poverty is a condition in which an individual or an area is unable to try a *superior life or can be considered unable to face a superior* lifestyle. Poverty reduction efforts must be properly addressed because destitution can have more negative impacts on individual government assistance. Overcoming the problem of poverty is a job to help change finances and advance and provide more prominent opportunities to take care of various social problems (Trisnu & Sudiana, 2019).

(Kadji, 2012) tries to identify reasons for need from a monetary perspective. First of all, at the micro level, poverty arises due to inconsistent instances of asset ownership resulting in inconsistent payment of payments. Second, poverty arises because of the contrast in the nature of human resources. Third, the need arises because of the contrast in the receipt of capital. The three reasons for this need lead to hypothesized patterns of poverty such as underdevelopment, market defects, and lack of capital, which causes the low

salaries they earn. Low pay will have suggestions for low reserves and effort. Low effort brings backwardness, etc.

This research will observe the factors that influence poverty in East Nusa Tenggara Province in 2016-2020.

2. LITERATURE REVIEW

2.1 Definition of Poverty

Poverty is considered as a financial failure to fulfill essential food and non-food consumption as estimated from the consumption side (BPS). Poverty is a problem that all nations see. Monetary development as a marker in overcoming the problem of needs, where financial development is the idea of monetary circulation (Atalay, 2015).

Existing experimental research suggests that the hope of monetary progress is to achieve financial improvements, such as poverty alleviation, better training principles or more advanced welfare.

Financial development itself can be the main impetus for creating abundance which will flow to kill poverty and all the problems that accompany it. (Cremin & Nakabugo 2012). Education is a speculation that can sustain financial development. Teaching poor children has the most likely possibility of lifting them out of poverty once again (World Bank).

2.2 Poverty Indicator

Theory Poverty indicators consist of (Agency Statistics Center, 2016):

- Head Count Index*, namely *percentage* civilians below the poverty line.
- Poverty Gap Index* (poverty depth index), is a parameter of the average *output gap* of every poor person on the poverty line.
- Poverty Severity Index* (poverty severity index), is a reflection of the dissemination *output* among the poor.

2.3 Causes of Poverty

There are several responses from experts regarding the causes of poverty, among them are (Maipita, 2014: 60):



According to Isdjoyo, recognizing the reasons for the need in rural and metropolitan areas. First of all, the needs of the province are caused by factors, as follows:

- Helplessness. This condition arises due to the absence of business, low shipping costs, and high school fees
- Separation, low levels of training, lack of skills, difficulties in transportation, and lack of credit have left them detached and impoverished.
- Material needs, this situation is caused by a lack of capital and lack of horticultural land owned, making their wages quite low
- Weaknesses, difficulties in keeping track of work, occasional jobs, and catastrophic events, leave them helpless and broken.
- Perspective, the mentality of admitting what they are unrelenting lack of enthusiasm to work hard makes them poor

2.4 Poverty Criteria

(Estrada & Wenagama, 2020) there are various models that are used as parameters for the level of need, one of which is poor as shown by Sayogyo. The offer used as the reason for assessing Sayogyo's poverty line is family compensation plus sustainable rice expenditure and a special offer per family. Given this standard, Sayogyo recognizes the community as being divided into several groups:

- Extremely poor
This group is those whose wages are below what can be compared with the identical 250 kg of rice per person in a year for residents living in metropolitan areas. .
- Poor
This group is people whose salary is identical to 240 kg of rice to 320 kg of rice for a year for residents who live in cities, while for residents living in metropolitan areas it increases from 360 to 480 kg. .
- Almost Enough
This group is the one whose salary is identical to 320 kg of rice with 480 kg of rice

in a year for residents living in rural areas, or more than 720 kg for residents living in metropolitan areas. .

- Enough
group is people whose salary is more than 480 kg of rice per individual per year for those living in rural areas, or more than 720 kg of rice per individual per year for those living in metropolitan areas.

3. RESEARCH METHODS

Regression analysis is the analysis used in this study with panel data and the following equations:

$$TK_{it} = \beta_0 + \beta_1 IPM_{it} + \beta_2 UMK_{it} + \beta_3 EMP_{it} + \beta_4 GEXP_{it} + \beta_5 EDUC_{it} + \mu_{it}$$

Where:

Kindergarten	: Poverty Level (thousands of people)
HDI	: Human Development Index (index number)
UM K	: Regency/City Minimum Wage (rupiah)
EMP	: Labor (life)
GEXP	: Government Spending (rupiah)
EDUC	:Proportion of Net Enrollment Rate (APM) for Senior High School (SMA) (percent)
β_0	: Constant
$\beta_1 \beta_2 \beta_3 \beta_4 \beta_5$: Regression Coefficient
μ	: Confounding Variable
i	: Observation (district/city)
t	: The amount of time (period 2016 -2020)

The econometric model above is a combination of the econometric models Herdiansyah (2010), Edy Widodo (2019), Rahmawati (2021). Poverty Level, Human Development Index, District/City Minimum Wage, Manpower, Government *output* and Education level are hypothesized to have a negative effect on poverty levels.

The estimation stage of panel data regression analysis will include: parameter estimation of econometric models using the *Pooled Least Square* (PLS) approach, *Fixed*

Effect Model (FEM), and *Random Effect Model (REM)*; selection of the best estimated model by Chow test and Hausman test, and Lagrange Multiplier test if necessary; model goodness-of-fit test on the selected estimated model; and test the validity of the effect of independent variables on the selected estimated model.

Data used in this study is panel data, which is a combination of *time series data* and *cross-sectional data*. *Cross section* data includes 22 districts in East Nusa Tenggara Province, the *time series data* covers the observation range of 2016-2020. Data used includes the Human Development Index (IPM), Regency/City Minimum Wages, Labor (EMP), Government Expenditure (Government experiences) and District Education Level in East Nusa Tenggara. Data obtained from the Central Bureau of Statistics (BPS).

4. RESULTS AND DISCUSSION

4.1 Research result

The estimation results from the previous econometric model assessment using the *Pooled Least Square (PLS) approach*, *Fixed effect Model (FEM)* and *Random effect Model* determination test models are summarized in Table 1.

Table 1
Estimation of Panel Data Regression Econometric Model - Cross section

Variable	Regression Coefficient		
	pls	FEM	BRAKE
C	-387,5806	166.2471	85.71684
IPM	-2.175185	1.098156	0.323542
MSE log	2.540072	-5.462098	-1.971147
EMP logs	44.06952	-6.546972	-0.652761
GEXP logs	2.490209	-0.901732	-0.390799
EDUC	-0.666098	-0.093312	-0.140548
R ²	0.626677	0.998260	0.021231
adjusted. R ²	0.603913	0.997519	-0.038450
F statistics	27.52975	1346,398	0.355748
Prob. F statistics	0.000000	0.000000	0.877159

Model Selection Test
 (1) Chow
 Cross-Section F (21.61) = 620.497885 ; Prob. F (21.61) = 0.0000
 (2) Hausman
 Cross-Section random χ^2 (5) = 33.832020 ; Prob. χ^2 = 0.0000 -

Source: BPS, processed.

The Chow test and Hausman test show that (*FEM*) was selected as the best estimation model, as seen from the probability or F count and statistic χ^2 , each of which has a value of 0.0000 (<0.01). The complete estimation results from the *FEM estimated model* are shown in Table 2 and Table 3.

Table 2
Fixed Effect Model (FEM) Estimation Model

$\bar{TK}_{it} = 166.2471 + 1,098156 IPM_{it} -$ (0.1824)
$5,462098 \log UMK_{it} - 6.546972 \log EMP_{it}$ (0.2697) (0.0389)**
$- 0,901732 \log GEXP - 0.093312 EDUC_{it}$ (0.0308)** (0.4867)
R ² = 0.998260; DW = 1.331640; F = 1346.398; Prob. F = 0.0000

Source: BPS, processed. Description: *Significant at $\alpha = 0.01$; **Significant at $\alpha = 0.05$; ***Significant at $\alpha = 0.10$; The number in brackets is the probability of the t statistic.

From Table 3 it can be seen that the *FEM model* estimated to exist with probability or empirical statistical significance F is worth 0.0000 (<0.01), with a (R²) value of 0.99 83 ; which describes the *FEM estimated model* as having very high predictive power. However, this predictive power must be interpreted literally critical, because apart from the five variables in the econometric model, it turns out that only two variables, namely the labor force and output variables The government has influence on the level of poverty, with a t - count probability or significance of 0.0389 (<0.05) for the Labor variable while the probability for the Government Expenditure variable is 0.0308 (<0.05).

Table 3
Regional Effects and Constants

No	Regency/City	Territory Effect	Constant
1.	West Sumba	-19,3725	146,8746
2.	East Sumba	24,8523	191,0994
3.	Kupang	41,59106	207,8382
4.	South Central Timor	86,44265	252,6898
5.	North Central Timor	7,008954	173,2561
6.	Speckle	-17,0298	149,2173
7.	Alor	-5,78692	160,4602
8.	Lembata	-19,1867	147,0604
9.	East Flores	-23,2707	142,9764
10.	Sikka	-6,71131	159,5358
11.	Ende	11,56662	177,8137



12.	Ngada	-37,4948	128,7523
13.	Manggarai	20,13055	186,3777
14.	Rote Ndao	-4,93298	161,3141
15.	West Manggarai	-1,65204	164,5951
16.	Central Sumba	-33,3438	132,9034
17.	Southwest Sumba	48,73443	214,9815
18.	Nagekeo	-38,9855	127,2616
19.	East Manggarai	28,52109	194,7682
20.	Sabu Raijua	-19,3971	146,8500
21.	Malacca	-17,9856	148,2615
22.	Kupang City	-23,6981	142,5490

The Workforce variable has a regression coefficient value of -6.546972 with a linear-logarithmic relationship design . That is, if the workforce increases by 1 percent , then the Poverty Level will decrease by 6.546972: 100 = 0.06547% . Preferably, if the Labor force decreases by 1 percent , then the Poverty Level will increase by 6.546972: 100 = 0.06547%. Government Expenditure Variable has a regression coefficient value of -0.901732 with a linear-logarithmic relationship pattern. That is, if government spending increases by 1 percent , then the poverty rate will decrease by 0.901732: 100 = 0.00901732%. Preferably , if government spending decreases by 1 percent , then the poverty level will increase by 0.901732: 100 = 0.00901732%.

In Table 3 it can be seen that the area with the highest constant value is South Central Timor City, which is equal to 252.6898 . This means that the impact of the Human Development Index variable , District Minimum Wage, Labor, Government Expenditures, and the Proportion of Net Participation Rate in East Nusa Tenggara Province tends to have a higher poverty rate than other districts in East Nusa Tenggara Province . then South Central Timor City, the two regencies with the biggest constants are Kupang Regency and Southwest Sumba Regency . While the constant with the lowest value is owned by Nagekeo Regency , which is equal to 127.2616. This means that the impact of the variables Human Development Index, District Minimum Wage, Labor, Government Expenditures, and the Proportion of Net Participation Rates in East Nusa Tenggara Province tends to have a lower poverty rate than other districts in Nusa Tenggara Province . The two districts with the

lowest constants are Ngada Regency and Central Sumba Regency .

4.2 Research Discussion

The Poverty Rate in East Nusa Tenggara Province in 2016-2020 is influenced by Labor and Government Expenditures. Meanwhile, the Human Development Index, District Minimum Wage, and Education Level have no effect on the Poverty Rate in East Nusa Tenggara Province in 2016-2020. Labor has a negative effect on the Poverty Rate in East Nusa Tenggara Province in 2016-2020 because growth there is quite high because employment opportunities are also wide enough for the population, so there are many Labor Force with their income which can reduce various problems and obstacles in the Poverty Level.

Government Consumption has a negative effect on the Poverty Rate in the East Nusa Tenggara Region in 2016-2020. The high poverty rate in every district/city in the East Nusa Tenggara region requires serious attention from the public authorities. The major variables influencing Need Levels in the East Nusa Tenggara Region are financial developments and the number of individuals moving out of high school. Various East Nusa Tenggara government spending efforts to reduce poverty have been carried out through approaches and recognizing focused taxpayer-supported initiatives, for example, the Family Trust Program (PKH), expanding access for the poor through private businesses, improving foundations, for example, building dams to meet their needs. clean water needs. moreover, the horticultural needs of the local area. In general, projects that have an adverse impact on the Level of Demand in the East Nusa Tenggara Region in 2016-2020.

From the results of the recurrence it is known that the Human Advancement File affects the Level of Need in the East Nusa Tenggara Region in 2016-2020. Notes Human Improvement currently does not affect regional work efficiency, but low efficiency will eventually result in low salary gains and vice

versa when high efficiency will result in large league salary gains. So low or big league salaries depend on the local area. There are also holes in developing the Human Progress File in the East Nusa Tenggara Region, despite the low awareness factor, either from the guardians or the children themselves. For example, the offspring of a farm worker who likes to work like his parents since he was a child compared to studying at school. The government has provided a free school program which will be in vain if people do not have a high understanding of the importance of education.

Government/City The lowest wage permitted by law greatly impacts the Poverty Rate in the East Nusa Tenggara Region in 2016-2020. In this study it was observed that an expansion of the lowest wage permitted by law was generally not accompanied by a reduction in the poverty rate. This may be due to a quirk indicating that an expansion in the lowest Payout Rule permitted by law will generally be followed by a withholding event. In addition, expansions in the Minimum Wage Rule permitted by law consistently change the average cost for most everyday goods for each area. The high cost of living is due to the high prices of staple goods supplied from outside the district. An increase in the cost of basic products will reduce the level of purchasing power of the people, especially those with low incomes.

The test results from this review show that the level of training affects the poverty rate in the East Nusa Tenggara Region in 2016-2020 on the grounds that schools are a basic improvement destination. Training that focuses on the normal duration of tutoring does not affect needs because the unskilled general population in East Nusa Tenggara are older, who did not attend school in their childhood but decided to work and most of this took place within the country. The quantity of labor consumed in the provinces is much higher than in the metropolitan areas for the level of training that is not advanced, did not complete elementary school, and junior high

school. This shows that even though the training is low, however it can supplement life support from the government through horticulture and casual and does not require a special curriculum. This implies that the level of training does not affect the level of need.

5. CLOSING

5.1 Conclusion

The best estimator model is FEM, this model exists with a very high Coefficient of Determination value, ie of 0.998260. In East Nusa Tenggara Province in 2016-2020 the poverty rate is influenced by Labor and Government Expenditure in the direction negative influence. Increased productivity caused by Labor and Government Spending will reduce the Poverty Rate. While the Human Development Index, District Minimum Wages and the Proportion of Net Enrollment Rate (APM) for Senior High Schools (SMA) did not affect the Poverty Level in East Nusa Tenggara Province in 2016-2020.

By looking at the magnitude of the impact of labor supply and government consumption on the poverty level, it is believed that it is beneficial not to see differences in the eyes of society, because one part of human development is an honorable way of life. Apart from that, there is no difference in society in achieving progress results such as in obtaining salary, welfare, schooling, etc.

5.2 Suggestion

All regional apparatuses that are important for the East Nusa Tenggara Region should also work on the nature of the regional strengthening program by providing more preparation, for example, business-themed or other extraordinary preparations for poor delegated individuals, so that they have what it takes to work fairly and wages what they got.

Likewise, it is hoped that it will increase the amount of motivator or assistance to MSMEs so that MSMEs can foster their organizations to improve conditions. MSMEs that can be creative should have the option to absorb more jobs so that the unemployment



rate should be restrained. This is expected to build local government assistance in terms of payments, to reduce poverty levels.

For additional checks, it is believed that different factors can be added. Given the independent factors used in this study are not fully prepared to understand the elements that affect poverty levels. The use of other scientific tools is also needed, to get cross-confirmation for the continued effects of this review.

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