International Journal of Finance,
Economics and Business

Vol. 3, No. 2, June 2024, pp.85-92 e-ISSN: 2948-3883

DOI: 10.56225/ijfeb.v3i2.309

Original Article

The Effect of Domestic Investment, Foreign Investment, Labor, Unemployment, Human Development Index, and Inflation on Poverty in Indonesia

Rauzatul Muna [1], Muhammad Abrar [1,*] and Muhammad Nasir [1]

[1] Department of Economics, Faculty of Economics and Business, Universitas Syiah Kuala, Kopelma Darussalam, 23111 Syiah Kuala, Banda Aceh, Aceh, Indonesia; rauzatul.muna061097@gmail.com (R.M.), nasirmsi@unsyiah.ac.id (M.N.)

* Correspondence: muhammadabrar@unsyiah.ac.id (M.A.)

Citations: Muna, R., Abrar, M., & Nasir, M. (2024). The Effect of Domestic Investment, Foreign Investment, Labor, Unemployment, Human Development Index, and Inflation on Poverty in Indonesia. *International Journal of Finance, Economics and Business*, *3*(2), 85-92.

Received: 16 February 2024 Revised: 16 May 2024 Accepted: 2 June 2024 Published: 30 June 2024

Abstract: Indonesia continues to contend with elevated levels of poverty, reflecting the diminished well-being experienced by a segment of its population. Various socio-economic factors influence the poverty rate. It is hypothesized that domestic and foreign investments, workforce participation, and the Human Development Index (HDI) could reduce poverty, while unemployment and inflation might exacerbate it. However, previous research has not reached a consensus on these relationships. This study examines the impact of domestic and foreign investments, labor force, unemployment, HDI, and inflation on poverty levels in Indonesia. The research employs panel data regression analysis, utilizing data from 34 Indonesian provinces spanning 2006 to 2022. The findings indicate that the fixed effect model is the most appropriate for this analysis. The study concludes that domestic investment, foreign investment, and labor force have a significant negative correlation with poverty. Conversely, unemployment demonstrates a significant positive relationship with poverty rates. Notably, the HDI and inflation do not significantly affect poverty in Indonesia. To address these issues, the Indonesian government should focus on enhancing domestic and foreign investor confidence by improving legal certainty and offering various incentives to stimulate investment. Furthermore, the government must prioritize improving education and healthcare services to elevate HDI and alleviate poverty.

Keywords: Poverty; Domestic investment; Foreign investment; Labour; Unemployment

1. Introduction

As a developing country with an increasing population, Indonesia is also not immune to the problem of poverty. Various factors, such as income distribution inequality, uneven economic development, the number of household members, and political rights, can cause poverty (Aureli & Juliprijanto, 2022; Dartanto & Nurkholis, 2013; Olofin et al., 2015; Quy, 2016). A high poverty rate will depict low community welfare and will be a problem in the development process (LeBaron, 2014). Poverty will not stop and will continue to grow because poverty in one individual is known to be transferred from the current generation to the next generation (Prasetyo & Cahyani, 2022). This is due to the unbroken chain that will continue to form a circle of poverty. According to data published by the Central Bureau of Statistics, Indonesia's poverty was at its lowest level in 2019, but the Covid-19 pandemic caused poverty to soar again in 2020. The COVID-19 pandemic has caused economic conditions to worsen, such as reduced income and loss of jobs for some people, so poverty has increased. Poverty tends to decline after the pandemic. Although poverty continues to decrease, the number of poor people in Indonesia is still very high. In 2022, with a poverty rate of 9.57 percent, there are 26.3 million people who fall into the poor category. This suggests that poverty in Indonesia is still a severe problem because there are still many people with low welfare due to poverty.

The Indonesian government conducts various programs to reduce poverty. However, more than the role of the government alone is needed, and the private sector's contribution is needed to overcome development problems such as poverty. Increasing investment is one of the ways that can be taken so that the poverty rate can be reduced (Fahrika et al., 2020). Investment is a source of financing needed to support development (Landapa & Purbadharmaja, 2021). Investment is expected to reduce the poverty rate, not only Domestic Investment (PMDN), but also Foreign Investment (PMA). The high level of investment is expected to reduce poverty through labour absorption and reduced unemployment. Therefore, it is expected that investment in Indonesia will favour those who are poor (pro-poor). The highest PMDN and PMA totals in 2022 were IDR552.769 billion and USD45.605 million, respectively. This condition is due to Indonesia's relatively conducive investment climate amidst global uncertainty and the dynamics of various domestic problems.

Pritchett (2018) stated that poverty alleviation must start with something basic, such as at least people experiencing poverty engaging in ordinary economic transactions, such as getting a job and a wage. Labour income is critical to poverty reduction (Azevedo et al., 2013). Indonesia is known as a developing country with a rapidly increasing population. A working population will earn an income and lift itself out of the poverty trap. On the other hand, the abundant population will only improve development if it is properly utilized in the economy. Sometimes, the increase in population in Indonesia is not followed by a comparable increase in employment opportunities, so the population that has entered working age cannot be fully utilized in the economy. The supply side of the labour market is not fully absorbed, and some people are not productive and do not have enough income to meet their daily needs, leading to increased poverty (Berthold & Gründler, 2013). High unemployment will lead to poverty.

In addition, poverty is primarily caused by the underdevelopment of human and natural resources. Human resources will determine the productivity capacity of an individual in the economy. The lack of quality human resources indicates that there needs to be more knowledge, skills, and ability for entrepreneurial activities, automatically resulting in the available resources needing to be utilized to their full potential. Thus, the ability of individuals to earn income to fulfil their needs will be limited, and poverty will be inevitable. The HDI in Indonesia continues to increase. This indicates that human resources continue to be improved through human development. The highest HDI occurred in 2022, with a value of 72.91 points. However, this value is still relatively low compared to other countries, with an average HDI of over 80 points. Therefore, with a low HDI, human resource quality is not maximized, leading to a poverty trap.

Not only unemployment and the quality of human resources, but the problem of high inflation can affect poverty. Inflation must be kept stable at the targeted level. High inflation will change conditions in society, especially in consumption activities. Due to high inflation, people who were initially able to consume more reduce the consumption of goods and services due to the lower value of money, so purchasing power will also decrease. If the inflation problem is not handled correctly, it will affect the community's welfare, especially for low-income people (Ningsih & Andiny, 2018). People with low incomes will find it increasingly difficult to fulfil their needs. In addition, more and more people will fall into the poor category because they cannot meet their needs when inflation is high. Inflation conditions in Indonesia are still unstable and can change according to economic conditions.

Previous relevant research primarily discusses several researchers who have researched poverty. Research that specifically discusses the relationship between investment and poverty has been conducted by Wiganepdo & Sugiyanto (2022), who used investment in the form of PMDN, and Landapa & Purbadharmaja (2021), who used investment in the form of PMA. The results of these two studies are different, where PMDN and public investment have a negative effect on poverty, and PMA has a positive effect. Prasetyo and Cahyani (2022) examined how government spending can reduce poverty by reducing unemployment in Central Java. Feriyanto et al. (2020) and Fahrika et al. (2020) found that unemployment positively and significantly affects poverty. In contrast to most other studies, DeFina (2004) and Dahliah & Nur (2021) found that the unemployment rate is insignificant to poverty. Bandiera et al. (2017) examined women's choices regarding work activities in the village economy in reducing poverty. By surveying 21 thousand households in 1,309 villages over seven years, it was found that women involved in work activities would lead to poverty reduction through increased income. Dahliah & Nur (2021), Fahrika et al. (2020), Kristin & Sukmawati (2018), Landapa & Purbadharmaja (2021), Prasetyo & Cahyani (2022) found that there is a negative relationship between HDI and poverty. Mahendra (2017) found that inflation positively affects poverty, unlike Faisal & Ichsan, who found no significant effect on poverty.

Based on the previous description, although poverty in Indonesia tends to decline slowly, it cannot be denied that poverty in Indonesia is still very high. This provides an opportunity for this research to study several factors expected to reduce poverty: investment in PMDN, PMA, the level of labour employed, and HDI. In addition, this study will also investigate factors that are expected to push the poverty rate higher, namely through unemployment and inflation. In addition, the findings of previous studies vary and have yet to reach a consensus. Different research objects, time spans, and methods are expected to provide different findings.

The analysis of previous studies has provided knowledge that this study is different. In general, research that examines poverty with the object of Indonesian research uses time series data as the type of data, such as research conducted by Aureli & Juliprijanto (2022), Faisal & Ichsan (2020) and Muthalib et al. (2018). This study will use panel data that can cover all provinces in Indonesia to provide better research results. Previous studies have used panel data to analyze research results. However, these studies only focus on cross-section at the district/city level or only take a small part of the province, such as research by Wiganepdo & Sugiyanto (2022), who examined nine provinces in Java, Bali, NTT, and NTB, Prasetyo & Cahyani (2022) in districts/cities in Central Java. There are only a few previous studies that discuss poverty using panel data with a cross-section of 34 provinces in Indonesia, such as Hasibuan (2023), Kristin & Sukmawati (2018), and Mukhtar et al. (2019). However, these studies use a concise data span and different research methods from this study. Therefore, this study has a much more extensive data range from 2006 to 2022, expected to provide more accurate results. In addition, this study will analyze the effect of far more independent variables compared to previous studies. Previous researchers only focused on one to three independent variables in this study. Thus, this study investigates the effect of domestic investment, foreign investment, labour, unemployment, and HDI on poverty in Indonesia.

2. Materials and Methods

This study uses a quantitative approach, using secondary data from the Indonesian Central Bureau of Statistics and Bank Indonesia. The data type used is panel data from 34 provinces in Indonesia for 2006-2022. The dependent variable of this study is the poverty rate. Meanwhile, the dependent variables include domestic investment, foreign investment, labour, unemployment, HDI, and inflation. The effect of the independent variables on the dependent variable of this study is analyzed through data processing using the panel regression method. The equations that can be arranged in this study as a basic model are (Silvia, 2020):

$$Y_{it} = \alpha_{it} + \beta_1 X_{1it} + \beta_2 X_{2it} + \beta_3 X_{3it} + \beta_4 X_{4it} + \beta_5 X_{5it} + \beta_5 X_{5it} + e_{it}, \quad (1)$$

Model Equation (3.1) can be formulated into the following equation:

$$POV_{it} = \beta_1 LogDI_{it} + \beta_2 LogFI_{it} + \beta_3 LogLBR_{it} + \beta_4 LogUNE_{it} + \beta_5 HDI_{it} + \beta_5 INF_{it} + e_{it}, \quad (2)$$

POV represents poverty rate, DI is domestic investment, FI is foreign investment, LBR is labor, UNE is unemployment, HDI is human development index, and INF is inflation. t denotes time series data from 2006-2022 and i denotes cross-section of 34 provinces in Indonesia. The panel data regression method has three models: the joint effect model, the fixed effect model, and the random effect, which must be chosen as the best model. The decision results of the Chow test, Hausman test, and Lagrange Multiplier test can determine the best panel model.

3. Results

3.1. Descriptive Statistics Analysis

Descriptive statistics will provide a concise overview of all variables used in this study. In general, important information will be obtained about the data used in this study. This information can be in the form of average, median, maximum data, minimum data, standard deviation, and the number of observations used from each variable in this study.

Table 1. Result of Descriptive Statistics

Statistics	Variable(s)						
	POV	**DI**	**FI**	**LBR**	**PG**	**IPM**	**INF**
Mean	12.42	6,675,910	751.76	3.71	0.26	69.42	4.76
Median	11.18	2,511,500	241.15	1.96	0.10	69.70	3.94
Maximum	46.81	89,223,600	7486.00	23.45	2.56	81.65	18.40
Minimum	3.42	100	0.20	0.26	0.01	54.45	0.22
Std. Dev.	7.11	11,865,082	1190.79	5.17	0.43	4.39	2.81

Notes: POV: poverty; DI: domestic investment; FI: foreign investment; LBR: labour; UNE: unemployment; HDI: human development index; and INF: inflation.

Table 1 shows the results of descriptive statistics for all variables used in this study, such as poverty, domestic investment, foreign investment, labour, unemployment, HDI, and inflation from 2006 to 2022 in all provinces in Indonesia. Using data in an annual form from 2006-2022 in 34 provinces in Indonesia, the total data or number of observations in this study for each research variable is 506. The descriptive statistics show that the average poverty rate is 12.42 percent, with the highest poverty rate being 46.81 percent in Papua in 2009 and the lowest poverty rate being 3.42 percent in DKI Jakarta in 2019. This illustrates that regions far from the central government have severe problems in poverty alleviation due to development inequality.

The average domestic investment made for each province is 6,675,910 million Rupiah. The largest domestic investment was made in DKI Jakarta province in 2022, with an investment value of 89,223,600 million Rupiah. Meanwhile, the lowest domestic investment was IDR 100 million in Maluku in 2011. A sizeable domestic investment indicates a significant investment sourced from domestic funding, and there will be economic development in the area. Foreign investment averaged 751.76 million dollars. The largest foreign investment from 2006 to 2022 amounted to 7,486 million dollars in Central Sulawesi 2022, and the lowest foreign investment was made in West Sumatra in 2009, amounting to 0.20 million dollars. Central Sulawesi became the largest foreign investment destination in 2022 due to downstream mining for commodities that use nickel and its derivatives.

The average number of workers per province is 3.71 million people. The highest and lowest workers were 23.54 million and 0.26 million people, respectively. On average, unemployment amounted to 0.26 million per province, with the highest unemployment of 2.56 million and the lowest of 0.01 million. High labour force employment and low unemployment will encourage poverty reduction in a region. Indonesia's average HDI per province is still very low at 69.42 points. The highest HDI is 81.65. The average HDI still needs to be higher because it is less than 70 points, indicating a lack of development processes that can improve the quality of education and public health. Some regions have an HDI of only 54.45, namely in Papua Province in 2010. The average inflation per province from 2006-2022 was 4.72 percent. The highest inflation rate in that period was 18.40 per cent in Bangka Belitung in 2008, and the lowest was in 2012 in Aceh Province. The increase in fuel prices mainly triggered the high inflation in 2008.

3.2. **Selecting the Best Model**

Determining one of the best panel models is based on tests such as the Chow, Hausman, and Lagrange Multiplier (LM) tests. Table 2 displays the test results to determine the best panel model for this study.

Table 2. Result of Determining the Best Panel Model

Tests		Prob.	Conclusion
Chow Test	Cross-section Chi-Square	0.000	FEM
Hausman Test	Cross-section random	0.000	FEM
LM Test	Cross-section Breusch-Pagan	0.000	REM

Table 2 shows the results of the Chow, Hausman, and LM tests with information on the probability values and the decision on which panel model to choose. The Chow test results show that between the common effect model and the fixed effect model, the best model to choose is the fixed effect model. This is based on the Chow test, which has a probability of 0.0000, which indicates significance at the 5% level, so the interim decision is to choose the fixed effect model. The Hausman test is conducted to choose which is the best model between the fixed effect model and the random effect model for this study. The Hausman test results show that the best model to choose is the same as the Chow test results, namely the fixed effect model. This decision is determined because the Hausman test shows a significant number at the 5% confidence level of 0.0000 <0.05. To complete the test, the LM test was conducted to choose between the common effect model and the random effect model. The LM test results show that the random effect model is the best among the two models. The LM test probability of 0.0000 is smaller than the 5% significance value. Overall, from the results of all tests to determine the best panel model, it was decided that the fixed effect model was the best model. Therefore, the analysis of the results of this study will depend on the results obtained in the fixed effect model.

3.3. Fixed Effect Model

The results of determining the best model decided that the fixed-effect model is the best panel model for analyzing this study's results. The estimation results using the fixed-effect model are presented in Table 3.

Table 3. Result of Fixed Effect Model Estimation

Variable(s)	Coefficient	Std. Error	t-Statistic	Prob.
C	36.357	37.986	95.711	0.0000
LDI	-0.2741	0.0845	-32.442	0.0013
LFI	-0.6154	0.1020	-60.326	0.0000
LLBR	-11.080	12.177	-90.992	0.0000
LUE	29.621	0.4951	59.822	0.0000
IPM	-0.0388	0.0541	-0.7178	0.4732
INF	0.0541	0.0405	13.329	0.1832
R-Squared	0.9147		Prob. F-Statistic	0.0000

Table 3 displays the results of data estimation using the fixed effect model. The results of this study indicate that domestic investment has a significant negative effect on poverty in Indonesia, foreign investment has a negative and significant effect on poverty in Indonesia, and the number of employed labour shows a significant negative effect on poverty in Indonesia. The results also show that unemployment positively and significantly affects poverty in Indonesia. This study shows that HDI and inflation do not significantly affect poverty in Indonesia. The F-test results show a probability of 0.0000, which is less than 0.05. This indicates a simultaneous or joint influence of the independent variables, namely domestic investment, foreign investment, labour, unemployment, HDI, and inflation, on poverty in Indonesia. Meanwhile, the R-squared with a coefficient of determination of 0.9147 indicates that the variation in changes in poverty can be explained by domestic investment, foreign investment, labour force, unemployment, HDI, and inflation by 91.47 percent. At the same time, the other 8.53 per cent is influenced by other variables not included in this study.

4. Discussion

This study focuses on discussing poverty in Indonesia. Many factors can drive poverty, but many factors can help reduce the poverty rate in Indonesia. This study investigates the effect of domestic investment, foreign investment, labour, unemployment, HDI, and inflation on poverty in Indonesia. It is expected that an investment in domestic investment, foreign investment, employed labour, and HDI can reduce poverty through its increase. In addition, it is also expected that poverty in Indonesia can be reduced through a decrease in unemployment and inflation. This study proves that poverty in Indonesia can be reduced through increased domestic investment, foreign investment, and the number of employed workers. Conversely, an increase in unemployment can increase poverty. Meanwhile, the HDI and inflation rate cannot affect the poverty rate in Indonesia.

Domestic investment and foreign investment are forms of investment. If investment is increased, the flow of capital to fund producing goods and services can run smoothly. These investment activities will create new jobs so that the community can feel additional income due to investment activities. Thus, the income earned can be used to meet daily needs and help people escape the poverty trap if the investment favours people experiencing poverty. The results of this study, which show a negative effect of domestic investment on poverty, align with the results of studies conducted by Wiganepdo & Sugiyanto (2022) and Surya et al. (2018). Wiganepdo & Sugiyanto (2022) found that domestic investment can significantly reduce poverty in 9 Java, Bali, NTT, and NTB provinces. Surya et al. (2018), using time series data from 1990-2016, have shown that domestic investment has a negative effect on poverty in Indonesia.

The existence of investment, whether sourced domestically or from foreign parties in a region, will help spur the growth of economic activity in related sectors and the development of economic activities adjacent to the area where the investment is made, thus opening up more profitable opportunities for the economy, which not only benefits the community in one area but also for people who are in the surrounding area. This activity will encourage income generation and reduce poverty. In addition, foreign investment can accelerate the transfer of technology and skills. Usually, foreign companies that fund foreign investment will bring their technology and knowledge to the destination country, in this case, Indonesia. This exchange process will help improve the quality of labour skills and increase the productivity that can be generated so that, in the end, income increases and poverty decreases. The negative effect of foreign investment on poverty found by this study is in line with the results found by Surya et al. Surya et al. (2018) in Indonesia. Meanwhile, Abubakar (2023) shows that improving infrastructure will spur an increase in foreign investment, which will help reduce poverty due to people's access to basic infrastructure.

This study found that labour has a negative effect on poverty in Indonesia. A working or active workforce indicates the utilization of human labour to carry out production activities for goods and services. It would be extraordinary if the labour employed had high quality or human capital. Increased economic activity through production will increase income and economic growth. High economic growth will usually improve welfare and benefit people with low incomes. This finding is supported by research by Liao et al. (2020) and Azevedo et al. (2013). Liao et al. (2020) stated that labour transfers positively impact poverty reduction, especially for middle- and low-income households. At the same time, Azevedo et al. (2013) confirmed that more jobs with better wages were the key to poverty reduction in most countries, with labour income accounting for more than half of the change in moderate poverty in ten countries.

If the available labour in the economy is not utilized optimally, the unemployment rate will increase. Individuals in unemployed conditions do not earn income to finance their daily needs, and the opportunity to live below the poverty line will be greater. Therefore, this study found such results: increased unemployment will increase poverty. Feriyanto et al. (2020) and Fahrika et al. (2020) also found similar results to this study: an increase in unemployment will increase poverty.

This study found that HDI is not significant to poverty. HDI is a development process related to improving the quality of education and health services. Due to its lengthy process, HDI takes longer to affect poverty. HDI will impact poverty, or poverty will be reduced when the education development process results in students who go to school completing their studies and health services being maximized. This result is consistent with what Smith (2010) and Bonal (2016) stated. Smith (2010) stated that improving the quality of education alone cannot alleviate poverty. Relying solely on education to facilitate social mobility will not be able to overcome low wages in flexible labour markets. Bonal (2016) points out that human capital theory has limitations in reducing poverty, and policies often fail to address inequality, which is an essential link between education, economic development and poverty reduction. This study found that inflation does not affect poverty. This finding is similar to that of Faisal & Ichsan (2020) and Junaidin & Muniarty (2020). Usually, inflation will affect people's purchasing power, where an increase in prices will reduce people's ability to consume goods and services, so the number of poor people will increase. However, the number of poor people is determined by the poverty line. The poverty line will usually be adjusted or updated with inflation so that it can reflect the actual purchasing power of the community. Thus, inflation does not affect the percentage of people with low incomes.

5. Conclusions

This study concludes that domestic and foreign investments, along with employed labor, significantly negatively impact poverty levels in Indonesia. Poverty can be reduced by increasing domestic and foreign investments and employing individuals within the labor force. Additionally, unemployment shows a significant positive correlation with poverty in Indonesia, meaning that as unemployment rises, poverty also increases. Interestingly, the Human Development Index (HDI) and inflation do not significantly affect poverty in Indonesia. This suggests that alterations in HDI and inflation rates do not directly influence poverty levels in the country. On the basis of these findings, the study proposes several recommendations. To reduce poverty, efforts should be made to enhance domestic and foreign investments by improving legal certainty and instilling confidence in potential investors. Also, maximizing labor utilization can significantly benefit the economy and help reduce poverty. This requires collaboration between the government, educational institutions, and the private sector to develop a skilled and qualified workforce and accelerate human development through HDI improvement. Lastly, to address unemployment, the study suggests promoting job creation in sectors with high employment potential, such as the creative and service industries.

Author Contributions: Conceptualization, R.M., M.A., and M.N.; methodology, R.M. and M.A.; software, R.M. and M.A.; validation, R.M., M.A., and M.N.; formal analysis, M.N.; investigation, R.M.; resources, R.M., M.A., and M.N; data curation, R.M. and M.N.; writing—original draft preparation, R.M.; writing—review and editing, R.M., M.A., and M.N.; visualization, M.A.; supervision, M.A.; project administration, M.A.; funding acquisition, M.A. All authors have read and agreed to the published version of the manuscript.

Funding: This research received no external funding.

Institutional Review Board Statement: Not applicable.

Informed Consent Statement: Not applicable.

Data Availability Statement: Not applicable.

Acknowledgments: The authors would like to thank Universitas Syiah Kuala, Aceh, Indonesia, for supporting this research and publication. We would also like to thank the reviewers for their constructive comments and suggestions.

Conflicts of Interest: The authors declare no conflict of interest.

References

Abubakar, E. (2023). Impact of Foreign Direct Investment on Poverty Reduction and Economic Development. *Journal of Poverty, Investment and Development*, *8*(2), 80–89. https://doi.org/10.47604/jpid.2073

Aureli, S. R., & Juliprijanto, W. (2022). Influence of Income Inequality, Economic Growth, Unemployment on Indonesian Poverty in 1992-2019. *Journal of Manaement, Accounting, General Finance and International Economic Issues*, *2*(1), 51–67.

Azevedo, J. P., Inchauste, G., Olivieri, S., Saavedra, J., & Winkler, H. (2013). Is Labor Income Responsible for Poverty Reduction? A Decomposition Approach. *Policy Research Working Paper*.

Bandiera, O., Burgess, R., Das, N., Gulesci, S., Rasul, I., Sulaiman, M., Banerjee, A., Besley, T., Bryan, G., Buera, F., Case, A., Chandrasekhar, A., Colmer, J., Deaton, A., Donaldson, D., Duflo, E., Dupas, P., Fischer, G., Gollin, D., … Woodruff, C. (2017). Labor Markets nd Poverty in Village Economies. *The Quarterly Journal of Economics*, 811–870. https://doi.org/10.1093/q

Berthold, N. ;, & Gründler, K. (2013). The determinants of stagflation in a panel of countries. *Wirtschaftswissenschaftliche Beiträge*. http://hdl.handle.net/10419/88629

Bonal, X. (2016). Education, Poverty, and the "Missing Link": The Limits of Human Capital Theory as a Paradigm for Poverty Reduction. *The Handbook of Global Education Policy*.

Dahliah, D., & Nur, A. N. (2021). The Influence of Unemployment, Human Development Index and Gross Domestic Product on Poverty level. *Golden Ratio of Social Science and Education*, *1*(2), 95–108. https://doi.org/10.52970/grsse.v1i2.84

Dartanto, T., & Nurkholis. (2013). The determinants of poverty dynamics in Indonesia: evidence from panel data. *Bulletin of Indonesian Economic Studies*, *49*(1), 61–84. https://doi.org/10.1080/00074918.2013.772939

DeFina, R. H. (2004). The Impacts of Unemployment on Alternative Poverty Rates. *Review of Income and Wealth Series*, *50*(1), 69–85.

Fahrika, A. I., Salam, H., & Buhasyim, M. A. (2020). The International Journal of Social Sciences World Effect of Human Development Index (HDI), Unemployment, and Investment Realization toward Poverty in South Sulawesi-Indonesia. *The International Journal of Social Sciences World*, *2*(2), 110–116. https://doi.org/10.5281/zenodo.4080749

Faisal, M., & Ichsan. (2020). The Analysis of Economic Growth, Unemployment Rate and Inflation on Poverty Levels in Indonesia (Using the Vector Error Correction Model (VECM) Method). *Journal of Malikussaleh Public Economics*, *2*(2), 42–50. http://ojs.unimal.ac.id/index.php/Jompe

Feriyanto, N., El Aiyubbi, D., & Nurdany, A. (2020). The Impact of Unemployment, Minimum Wage, and Real Gross Regional Domestic Product on Poverty Reduction in Provinces of Indonesia. *Asian Economic and Financial Review*, *10*(10), 1088–1099. https://doi.org/10.18488/journal.aefr.2020.1010.1088.1099

Hasibuan, L. S. (2023). Analisis Pengaruh IPM, Inflasi, Pertumbuhan Ekonomi Terhadap Pengangguran dan Kemiskinan di Indonesia. *Jurnal Penelitian Pendidikan Sosial Humaniora*, *8*(1), 53–62.

Junaidin, & Muniarty, P. (2020). Influence of Inflation on Poverty in Bima City. *Ilomata International Journal of Management*, *1*(3), 88–92. https://www.ilomata.org/index.php/ijjm

Kristin, A. P., & Sukmawati, U. S. (2018). Analisis Pengaruh Indeks Pembangunan Manusia (IPM), Pertumbuhan Ekonomi dan Pengagguran Terhadap Kemiskinan di Indonesia. *EQUILIBRIUM: Jurnal Ekonomi Syariah*, *6*(2), 217–240.

Landapa, S. I. I., & Purbadharmaja, I. B. P. (2021). The Effect of Economic Growth, Foreign Investment, and Human Development Index on Poverty in Indonesia. *IJISET-International Journal of Innovative Science, Engineering & Technology*, *8*. www.ijiset.com

LeBaron, G. (2014). Reconceptualizing Debt Bondage: Debt as a Class-Based Form of Labor Discipline. *Critical Sociology*, *40*(5), 763–780. https://doi.org/10.1177/0896920513512695

Liao, W., Qiao, J., Xiang, D., Peng, T., & Kong, F. (2020). Can labor transfer reduce poverty? Evidence from a rural area in China. *Journal of Environmental Management*, *271*. https://doi.org/10.1016/j.jenvman.2020.110981

Mahendra, A. (2017). Analisis Pengaruh Pertumbuhan Ekonomi, Pendapatan Per Kapita, Inflasi, dan Pengangguran terhadap Jumlah Penduduk Miskin di Provinsi Sumatera Utara. *Jurnal Riset Akuntansi Dan Keuangan*, *2*(2), 123–148.

Mukhtar, S., Saptono, A., & Arifin, A. S. (2019). The Analysis of The Effects of Human Development Index and Opened Unemployment Levels to Poverty in Indonesia. *Jurnal Ecoplan*, *2*(2), 77–89.

Muthalib, A. A., Adam, P., Rostin, Saenong, Z., & Suriadi, L. O. (2018). The Influence of Fuel Prices and Unemployment Rate towards the Poverty Level in Indonesia. *International Journal of Energy Economics and Policy*, *8*(3), 37–42. http:www.econjournals.com

Ningsih, D., & Andiny, P. (2018). Analisis Pengaruh Inflasi dan Pertumbuhan Ekonomi Terhadap Kemiskinan di Indonesia. *Jurnal Samudra Ekonomika*, *2*(1).

Olofin, O. P., Adejumo, A. V., & Sanusi, K. A. (2015). Determinants of poverty level in Nigeria. *Journal of Sustainable Development*, *8*(1), 235–241. https://doi.org/10.5539/jsd.v8n1p235

Prasetyo, P. E., & Cahyani, E. N. (2022). Investigating Keynesian Theory in Reducing Unemployment and Poverty in Indonesia. *Journal of Asian Finance, Economics and Business*, *9*(10), 39–48. https://doi.org/10.13106/jafeb.2022.vol9.no10.0039

Pritchett, L. (2018). Alleviating Global Poverty: Labor Mobility, Direct Assistance, and Economic Growth. *Faculty Research Working Paper Series*. https://www.hks.harvard.edu/research-insights/publications?f%5B0%5D=publication_types%3A121

Quy, N. H. (2016). Relationship between Economic Growth, Unemployment and Poverty: Analysis at Provincial Level in Vietnam. *International Journal of Economics and Finance*, *8*(12), 113–119. https://doi.org/10.5539/ijef.v8n12p113

Silvia, V. (2020). *Statistika Deskriptif*. Andi.

Smith, N. (2010). Economic inequality and poverty: where do we go from here? *International Journal of Sociology and Social Policy*, *30*(3–4), 127–139. https://doi.org/10.1108/01443331011033328

Surya, J., Syechalad, Mohd. N., Jamal, Abd., & Nasir4, M. (2018). Analysis the effect of investment on poverty in Indonesia year 1990-2016. *International Journal of Scientific Research and Management (IJSRM)*, *6*(05). https://doi.org/10.18535/ijsrm/v6i5.em01

Wiganepdo, S., & Sugiyanto. (2022, February 9). The Role of Domestic Investment is on Reducing Poverty in 9 Provinces in Java, Bali, NTT and NTB. *Proceeding of the First Multidiscipline International Conference (MIC 2022)* . https://doi.org/10.4108/eai.30-10-2021.2315837