Analysis of The Determinants of Poverty in East Nusa Tenggara Province

Frischa Elvira Jehadut [1*], Surya Dewi Rustariyuni [2]
[1,2] Udayana University, Indonesia
Email : ichajehadut25@student.unud.ac.id *

Abstract, East Nusa Tenggara Province ranks third as the poorest province in Indonesia, making poverty in NTT one of the urgent issues that requires serious attention from the government.This study aims to determine (1) the simultaneous and partial effects of wage levels, education, and unemployment on poverty in the regencies/cities of NTT Province. The data used is secondary time series data from 2019 to 2023 across 22 regencies/cities in NTT Province. The data analysis technique employs panel data regression using the Eviews 12 analysis tool. The results of the study indicate that wages, education, and unemployment simultaneously influence poverty in the regencies/cities of NTT Province during 2019–2023. Wages and education have a negative and significant partial effect, while unemployment has a positive but not significant partial effect on poverty in NTT Province.

Keywords: Poverty, wages, education, unemployment

1. INTRODUCTION

Based on the report of the Ministry of National Development Planning/National Development Planning Agency of the Republic of Indonesia, the government has made various efforts to reduce poverty in NTT through social assistance programs and infrastructure development. However, NTT still has a higher poverty rate compared to other provinces in Indonesia. The percentage of poor people in NTT Province can be seen in Table 1.

Table 1. Percentage of Poor Population in NTT Province 2019-2023 (Percent)

| Regency/City | Percentage of Poor Population | | | | | Average |
| | Regency/City | | | | | |
	2019	2020	2021	2022	2023	
West Sumba	28.29	28.17	28.39	27.47	27.17	27.90
East Sumba	30.02	29.65	29.68	28.22	28.08	29.13
Kupang	23.03	22.77	22.98	21.70	21.78	22.45
South Central Timor	27.87	27.49	26.64	25.45	25.18	26.53
North Central Timor	22.45	22.28	22.62	21.50	21.85	22.14
Speckle	15.54	15.37	15.68	14.84	14.30	15.15
Alor	21.59	21.09	21.09	20.25	19.97	20.80
Lembata	26.30	26.14	26.21	25.18	24.78	25.75
East Flores	10.90	10.84	11.14	10.75	11.77	11.08
Sikka	13.53	13.12	13.35	12.61	12.56	13.03

End	23.18	23.76	24.13	23.00	22.86	23.39
There	12.48	12.51	12.58	11.93	12.06	12.31
Manggarai	20.55	20.34	20.48	19.84	19.69	20.18
Rote Ndao	27.95	27.54	28.08	27.45	27.05	27.41
West Manggarai	18.01	17.71	17.92	17.15	16.82	17.54
Central Sumba	34.62	34.49	34.27	32.51	31.78	33.53
Southwest Sumba	28.06	28.00	28.18	27.16	27.48	27.78
Nagekeo	12.85	12.61	12.91	12.05	12.33	12.55
East Manggarai	26.49	26.52	26.50	25.35	25.06	25.98
Raijua Crystal Meth	30.52	30.18	30.13	28.73	28.37	29.59
Malacca	16.12	16.04	16.33	15.26	14.42	15.63
Kupang City	9.22	8.96	9.17	8.61	8.61	8.91

Source: BPS NTT Province,(2023)

Based on Table 1, poverty in NTT shows changes from 2019 to 2023. In 2019, the percentage of poor people in NTT was 21.09 percent, then decreased to 19.96 percent in 2023. However, despite the overall decline, the poverty rate in each region in NTT still shows significant variations. For example, several regions in NTT show relatively high poverty rates, such as East Sumba with a poverty rate of 28.08 percent in 2023, and Sabu Raijua with a poverty rate of 28.37 percent in the same year. On the other hand, several regions such as Kupang City show relatively lower poverty rates with only 8.61 percent of the population living in poverty in 2023 (Central Bureau of Statistics, 2023).

Comparisons between regions in NTT show quite clear disparities in terms of poverty levels. Overall, despite the overall decline in poverty levels in NTT, there are still significant challenges that need to be addressed in each region to achieve equitable welfare improvements across the province.

Average Length of Schooling (RLS) in districts/cities from 2019 to 2023 in East Nusa Tenggara (NTT) Province. During this period, it can be seen that Kupang City, which has the highest RLS, experienced an increase from 11.47 to 11.62, with an increase of around 1.3 percent. Alor increased from 8.09 to 8.45, or around 4.4 percent. Ngada experienced an increase from 8.37 to 8.82, which is around 5.4 percent. Lembata also increased from 8.21 to 8.26, although it only experienced a small increase of around 0.6 percent. On the other hand, areas with lower RLS, such as Central Sumba, showed a significant increase, from 5.96 to 7.00, or around 17.4 percent. Southwest Sumba experienced an increase from 6.33 to 6.38, which was

only around 0.8 percent. This difference in percentage increase indicates that areas with lower RLS experienced higher growth in access to education, although overall, disparities still exist among districts/cities in NTT (BPS NTT Province,(2023)).

When compared to the three provinces with the highest Average Length of Schooling (ALS) in Indonesia, namely DI Yogyakarta, DKI Jakarta, and Bali, there is a significant gap with East Nusa Tenggara Province (NTT). In 2023, Kupang City in NTT had the highest ALS in the province, namely 11.62 years, while other districts in NTT generally ranged from 6 to 8 years. In contrast, DI Yogyakarta recorded an ALS of around 13 years, DKI Jakarta above 12.5 years, and Bali around 11.5 to 12 years.

Another comparison can also be seen from the perspective of the three provinces with the lowest RLS in Indonesia, which also come from the eastern part of Indonesia, namely Papua, West Papua, and South Papua. In Papua and West Papua, the RLS ranges from around 6 to 7 years or even lower in some remote areas, with the average population not having completed basic education. South Papua, which has similar geographical conditions and educational infrastructure to Papua, also recorded a low RLS, below 7 years in general.

Didu & Fauzi (2016), revealed that education in many countries is considered a tool to escape the poverty trap. Poverty is one of the obstacles to a region's progress, causing a decline in the quality of resources due to the inability to access education.(Agus Triono & Sangaji, 2023). Putra et al,(2023), revealed that increasing knowledge and skills shows that investment in education can improve the quality of human resources. The higher a person's level of education, the greater their knowledge and skills, which will have an impact on increasing work efficiency. To increase productivity, education can be the key to overcoming the backwardness of a region.

World Bank (2021) revealed that areas with limited access to education tend to have higher unemployment rates because their residents do not have the skills needed to participate in the modern economy. Research findings by Papadakis et.al (2020); Mengko et al. (2023), revealed that education has a positive and significant effect on poverty, but findings by Didu et al. (2016); Putri et al. (2020); Amalia (2017); Ariasih and Yuliarmi (2013); Umoru and Evelyn (2018); Dian and Marhaeni (2015); Ningtias and Anwar (2021), revealed that education has a negative and significant effect on poverty. Research findings by Lavrinovicha (2015), revealed that education has no effect on poverty. Limited access to quality education in remote areas of NTT also contributes to the low skills and competitiveness of the workforce in the market which triggers poverty(Kambaru et al., 2018).

Based on Article 88 Paragraph (2) of Law Number 6 of 2023, the determination of wage policy is one of the efforts to realize the rights of workers/laborers to a decent living for humanity. Low wages can be a direct cause of poverty, because workers are unable to meet basic needs.(Chalid & Yusuf, 2014).

Wages are also one of the factors that influence the unemployment rate, the emergence of unemployment due to increasing minimum wages will reduce the demand for labor. (Islamic & Anis, 2019). Ningtias and Anwar's research findings (2021); Emran and Shilpi (2018); Mengko et al.(2023); Princess and Goddess(2021); Ningtias and Anwar (2021),Lavrinovich (2015), revealed that wages have a positive and significant effect on poverty. However, different findings were obtained by Ghinastri and Syafitri (2020); Hanifah and Nurul (2021); Dian and Marhaeni(2015); Pauw and Leibbrandt (2012); Samut Pradit (2024),(Romi & Umiyati, 2018); Sotomayor (2021); Bavaro and Tullio (2024); Ariasih and Yuliarmi (2013); Gindling and Terrell (2010); Amar et.al (2022);(Saari et al., 2016), that wages have a negative and significant effect and Fajriah's findings (2021), revealed no influence between wages and poverty.

Measuring the open unemployment rate provides an indication of how much of the working age population is included in the unemployed category, which provides an overview of the proportion of the working age population that is

in the unemployed group in a region (Vallendzo et al., 2020). The following is open unemployment data in East Nusa Tenggara Province.

Based on BPS (2023), open unemployment rate (TPT) data in NTT from 2018 to 2023 shows diverse dynamics across districts/cities in the region. The unemployment rate in NTT varies significantly between regions, dependence on the informal sector and minimal access to formal employment, variations in the effects of unemployment can occur, depending on how much the informal sector contributes to supporting the community's economy (Marseto, 2023). Kupang City, as the provincial capital, has the highest unemployment rate, although it has managed to consistently reduce it from 10.17 percent in 2018 to 5.69 percent in 2023. On the other hand, regencies such as South Central Timor and East Manggarai showed relatively low unemployment rates throughout the period. Overall, the unemployment rate in NTT peaked in 2020 at 4.28 percent, but has gradually decreased to 3.14 percent in 2023.

Yuniarti (2010) reveals that unemployment and poverty, as two main focus issues, have a close and complex relationship. The phenomenon of poverty in European Union countries based on research findings by Papadakis et.al.(2020), due to the high rate of youth unemployment in Greece. Reducing the unemployment rate will not only havehas important

significance in the economic context, but also plays a key role in reducing poverty levels.(Kristin et al., 2018). Findings by Papadakis et.al (2020); Mangi and Marseto (2023); Ningtias and Anwar (2021); Astari and Utama (2021); Amar et.al (2022); Yerrabati (2022), which revealed that unemployment has a positive impact on poverty. Conversely, Erumban and Varies (2024); Yacoub (2012), found that unemployment has a negative and significant impact on poverty.

Researchers have confirmed that poverty is affected by the minimum wage. Sotomayor's research (2021) shows that increasing the minimum wage can directly reduce poverty and income inequality. Several other studies, such as Ningtias and Anwar (2021) which revealed that increasing wages can have an impact on poverty alleviation in Makassar City, Gindling and Terrell (2010) also show that a significant increase in wages can reduce poverty in Honduras. Emran and Shilpi (2018), found that wages have a positive and significant effect on poverty. However, several other studies, such as Ghinastri and Syafitri (2020), Hanifah and Nurul (2021), found that wages have a negative and significant effect on poverty. In fact, Fajriah (2021) found that there was no relationship between wages and poverty.

Umoru and Evelyn(2018), revealed that education is designated as the main tool in combating poverty and unemployment in Nigeria. Based on research conducted by Astari and Utama (2021), poverty in Bali is influenced by three main factors, namely unemployment rate, education level, and economic growth. Several research findings related to education on poverty were revealed by research by Papadakis et.al (2020); Mengko et al. (2023), revealing that education has a positive and significant effect on poverty, but the findings of Didu et al. (2016); Putri et al. (2020); Amalia (2017); Ariasih and Yuliarmi (2013); Dian and Marhaeni (2015); Umoru and Evelyn (2018); Ningtias and Anwar (2021), revealed that education has a negative and significant effect on poverty. The findings of Mengko et al.'s research (2023), revealed that education has no effect on poverty.

There are different research findings related to poverty on wages, education, and unemployment. Therefore, it is important to conduct this research to determine the effect of wages, education, and unemployment on poverty in the Regency/City of East Nusa Tenggara Province.

2. RESEARCH METHODS

This study uses an associative quantitative approach. Associative research is used to determine the influence or relationship between two or more variables (Sugiyono 2016:11). In this study, associative research is used to determine the analysis of poverty determinants in

East Nusa Tenggara Province. The involvement in this study, namely wages (X1), education (X2), and unemployment (X3), is used as a measuring tool to analyze poverty determinants in East Nusa Tenggara Province.

This research was conducted in East Nusa Tenggara Province which is divided into 21 districts and 1 city. This location was chosen because the percentage of poor people in East Nusa Tenggara Province is the third highest compared to other regions in Indonesia in 2022. In addition, there is a percentage of poor people in various districts/cities that experience inequality. The data analysis technique used in this study is panel data regression analysis. Panel data regression analysis is used to determine the determinants of poverty in East Nusa Tenggara Province. The data used is secondary data from 2019-2023 in 22 districts/cities in NTT Province. The data analysis technique uses panel data regression with the help of the Eviews 12 analysis tool.

3. RESULTS AND DISCUSSION

Test Results

Panel Data Estimation Model Approach

This study uses panel data analysis and as a data processing tool using the help of the Eviews 12 program. Panel Data is a combination of time series data and cross section data. There are three estimation models in panel data regression, namely the common effect model, fixed effect, and random effect. This study uses three independent variables, namely wages (X1), education (X2), and unemployment (X3) and one dependent variable, namely poverty (Y).

To select the most appropriate model for managing panel data, there are three (3) tests that need to be carried out, namely the Chow test, the Langrage multiplier test, and the Hausman test.

Panel Data Regression Model Selection

1. **Chow Test**

   The purpose of the Chow test is to determine between the Common Effect Model or Fixed Effect Model that can be used in this study by comparing the cross-section probability value F and $\alpha = 0.05$ (5%). Hypothesis:

   H0: Cross-section probability F $> \alpha = 0.05$ (5%) = Common Effect Model

   H1: Cross-section probability F $< \alpha = 0.05$ (5%) = Fixed Effect Model

   The Chow Test results can be seen in the following table:

Table 2. Chow Test Results

Redundant Fixed Effects Tests
Equation: Untitled
Test cross-section fixed effects

Effects Test	Statistic	d.f.	Prob.
Cross-section F	673.891213	(21,85)	0.0000
Cross-section Chi-square	563.302107	21	0.0000

Based on the test results in Table 2, the probability value is $0.0000 < \alpha = 0.05$ (5%), so the selected model is the Fixed Effect Model.

2. **Hausman test**

The Hausman test is a statistical test used to choose whether the Fixed Effect or Random Effect model is most appropriate to use. The hypothesis of the Hausman test is as follows:

H0: Cross-section Probability $F > \alpha = 0.05$ (5%) = Random Effect Model

H1: Cross-section probability $F < \alpha = 0.05$ (5%) = Fixed Effect Model

The results of the Husman test can be seen in the following table:

Table 3. Hausman Test Results

Correlated Random Effects - Hausman Test
Equation: Untitled
Test cross-section random effects

Test Summary	Chi-Sq. Statistic	Chi-Sq. d.f.	Prob.
Cross-section random	8.841350	3	0.0315

The test results in Table 3 state that the probability value is $0.0315 < \alpha = 0.05$ (5%), so the selected model is the Fixed Effect Model.

Based on the two test results above,If the results of the Chow test and the Hausman test indicate that the most appropriate model for the analysis is the Fixed Effect model, then the Lagrange Multiplier (LM) test is no longer necessary. The LM test is generally carried out to determine the suitability of the Random Effect model compared to the Common Effect model. However, if the Chow test selects the Fixed Effect model and the Hausman test confirms that the Fixed Effect model is more appropriate than the Random Effect model, then the decision to use the Fixed Effect model is correct, so the LM test does not need to be carried out(Rizki et al., 2022).

Classical Assumption Testing

a) **Normality Test**

The Jarque-Bera value in the regression model is 0.751068 and the probability value is $0.686922 > 0.05$, so it can be said that the data is normally distributed or

passes the normality test. The analysis model is suitable for further analysis.

b) Multicollinearity Test

Table 4. Multicollinearity Test Results

	C	X1	X2	X3
C	5.374323	7.65E-07	-0.903627	-0.001139
X1	7.65E-07	5.00E-13	-2.32E-07	5.41E-09
X2	-0.903627	-2.32E-07	0.180092	-0.002864
X3	-0.001139	5.41E-09	-0.002864	0.003521

Source: Appendix 4, 2024

Based on Table 4, each independent variable in the model shows a very low correlation with each other, so there is no indication of multicollinearity problems. Variables X_1 has little correlation with X_2 is equal to(-2.32E-07) , E-07 means -00000002.32, so the correlation coefficient value is < 0.8 and with X_3 is (5.41E-09), E-09 means 0000000005.41, so the correlation coefficient value < 0.8 indicates thatX_1does not cause multicollinearity. Variable sX_2 And X_3 also shows a very low correlation of (-0.002864) < 0.8. Thus, it can be concluded that the model is free from multicollinearity.

c) Heteroscedasticity Test

Table 5. Results of Heteroscedasticity Test

Heteroskedasticity Test: Glejser
Null hypothesis: Homoskedasticity

F-statistic	1.617468	Prob. F(3,106)	0.1897
Obs*R-squared	4.815090	Prob. Chi-Square(3)	0.1858
Scaled explained SS	3.595969	Prob. Chi-Square(3)	0.3085

Based on the test results in Table 5, the Obs*R-squared value (4.815090) and the Chi-Square Probability value (0.1858) indicate that the significance level is above 0.05, so the regression model is considered free from heteroscedasticity.

Model Feasibility and Accuracy Testing

a) Simultaneous Test (F Test)

From the results of the simultaneous test, the probability value is 0.000000 < 0.05, so H0 is rejected, and H1 is accepted, meaning that the independent variables, namely wages, education and unemployment, have a significant effect on poverty in NTT Province.

b) Partial Test (t-Test)

1. Testing the hypothesis of the influence of wages (X_1) against poverty (Y)

a) Hypothesis Formulation

H_0: $\beta1 = 0$, meaning that wages have no partial effect on poverty.

H_1: $\beta1 < 0$, meaning that wages have a partial negative effect on poverty.

b) The level of significance $\alpha = 0.05$ or a confidence level of 95 percent.

c) Testing Criteria

H_0 accepted if the significance value > 0.05

H_0 rejected if significance value ≤ 0.05.

d) Statistical Test

The t-count value can be obtained from the regression results with the Eviews program, t-count $= -3.266150$

e) Conclusion

Based on partial regression analysis, it is known that the significance value (0.0016) is smaller than $\alpha = 0.05$. So it can be concluded that H0 is rejected and H1 is accepted. The results of this study indicate that the wage variable (X_1) partially has a negative and significant effect on poverty in NTT Province.

2. Testing the hypothesis of the influence of education (X_2) to poverty (Y)

a) Hypothesis Formulation

H_0: $\beta2 = 0$, meaning that education has no partial effect on poverty.

H_1: $\beta2 < 0$, meaning that education has a partial negative effect on poverty.

b) The level of significance $\alpha = 0.05$ or a confidence level of 95 percent.

c) Testing Criteria

H_0 accepted if the significance value > 0.05

H_0 rejected if significance value ≤ 0.05.

d) Statistical Test

The t-count value can be obtained from the regression results with the Eviews program, t-count $= -2.630749$

e) Conclusion

Based on partial regression analysis, it is known that the significance value (0.0101) is smaller than $\alpha = 0.05$. So it can be concluded that H0 is rejected and H1 is accepted. The results of this study indicate that the education variable (X_2) partially has a negative and significant effect on poverty in NTT Province.

3. Testing the hypothesis of the influence of unemployment (X_3) against poverty (Y)

a) Hypothesis Formulation

H_0: $\beta3 = 0$, meaning that unemployment has no partial effect on poverty.

H_1: $\beta3 < 0$, meaning that unemployment has a partial negative effect on poverty.

b) The level of significance $\alpha = 0.05$ or a confidence level of 95 percent.

c) Testing Criteria

H_0 accepted if the significance value > 0.05

H_0 rejected if significance value ≤ 0.05.

d) Statistical Test

The t-count value can be obtained from the regression results with the Eviews program, t-count = 1.619541

e) Conclusion

Based on partial regression analysis, it is known that the significance value (0.1090) is greater than $\alpha = 0.05$. So it can be concluded that H0 is accepted and H1 is rejected. The results of this study indicate that the unemployment variable (X_3) partially has a positive but insignificant effect on poverty in NTT Province.

c) Coefficient of Determination Test

Based on the results of the R^2 determination coefficient test, the R^2 value is 0.995045 or 99.5045 percent. The determination coefficient value shows that the independent variables consisting of wages, education, and unemployment are able to explain the dependent variable, namely poverty in NTT Province by 99.50 percent, while the rest is 0.,49 percent is explained by other variables not included in the research model.

Discussion of Research Results

The Impact of Wages on Poverty in NTT Province

The results of the t-test in this study indicate that the wage variable (X_1) has a negative regression coefficient of -2.31 and has a significant effect on the poverty rate. This indicates that an increase in wages is related to a decrease in the poverty rate, where each increase in one wage unit is estimated to reduce the poverty rate by 2.31 percent.

This finding is in line with the wage theory proposed by Todaro, which states that wage levels have a significant influence on the economic growth of a region, which ultimately impacts the poverty rate. Wage increases have the potential to encourage increased labor productivity and people's purchasing power, which simultaneously spurs economic growth. With increasing economic growth, the opportunities to create new jobs and improve people's welfare become greater, thus contributing to a significant reduction in poverty rates.

In addition, Todaro also emphasized that wage increases not only affect individual workers, but also the dynamics of the labor market as a whole. Wage increases can attract more workers to participate in the formal labor market, reducing dependence on informal jobs that generally offer low wages and minimal protection. In the long run, this contributes to improving the quality of the workforce through better access to training and education.

Previous research has shown a negative relationship between wages and poverty.Ghinastri and Syafitri(2020) found that wages had a negative and significant effect on poverty in West Java Province in the period 2017-2021, which indicates that increasing wages has a significant impact on reducing poverty levels, as well as the research findings of Romi & Umiyati(2018)shows that wages have a negative and significant effect on poverty in Jambi City.

Similar findings were also expressed by Sotomayor.(2021), who note that increasing the minimum wage in Brazil has a negative and significant effect and contributes to reducing poverty, especially among low-wage workers. Gindling and Terrell(2010), also concluded that the minimum wage in Honduras has a negative and significant impact on the contribution to reducing extreme poverty, especially in the formal sector. In addition, the findings of Saari et al.(2016), which revealed that, the increase in minimum wages in Malaysia is closely related to the decrease in poverty levels, and the impact is more significant in the organized sector. Pauw and Leibbrandt's research findings(2012), the minimum wage in South Africa has a negative and significant impact on poverty, it was revealedthat minimum wages lead to an overall reduction in poverty and inequality in the region.

Apart from that, the same findings were also made by Hanifah and Nurul (2021)which states that minimum wages have a negative and significant effect on poverty in Lamongan Regency. The same thing is also in accordance with research conducted by Dian and Marhaeni (2015); Bavaro and Tullio(2024); Ariasih and Yuliarmi (2013); Amar et.al (2022); Saari et.al (2016), which states that wages have a negative effect on poverty.The significant negative relationship between wages and poverty indicates that wage increases can reduce poverty levels. This is due to the individual's ability to better meet basic needs when wages increase and improve overall socio-economic well-being.And Sotomayor's findings (2021), also revealed The minimum wage in Brazil has a negative and significant effect on poverty, since the minimum wage increase for three months, poverty and inequality have decreased by 2.8 percent.

The Influence of Education on Poverty in NTT Province

The negative and significant influence of education variables on poverty in the Regency/City of East Nusa Tenggara Province indirectly plays an important role in reducing poverty. The results of the t-test show that the education variable (X_2) has a negative regression coefficient of -1.11 on the poverty rate. This means that education has a negative relationship with poverty, where an increase in the education variable is estimated to reduce the poverty rate by 1.11 percent. This finding indicates that increasing the level of community education can play an important role in reducing poverty. The higher the level of education of individuals or communities, the greater their chances of getting better jobs and higher incomes, which can ultimately help them escape poverty.

This finding is in line with the Human Capital theory which emphasizes that education is a strategic investment that can increase productivity and improve the economic conditions of individuals and society. In this context, education plays an important role in breaking the cycle of poverty by providing skills, knowledge, and access to better-paid jobs and escaping the poverty trap. This theory emphasizes that improving the quality of education will produce a more competent and innovative workforce, which is able to adapt to technological changes and job market demands. This has an impact on increasing the competitiveness of the workforce, both at the national and global levels.

In addition, a more skilled workforce will contribute to the efficiency and productivity of the economic sector, which ultimately accelerates aggregate economic growth. In the context of economic development, investment in education not only provides benefits at the individual level but also strengthens a country's economic capacity. Increasing equitable access to education has the potential to encourage vertical social mobility, where individuals from lower economic groups have greater opportunities to improve their economic status. This is in line with the goals of sustainable development which emphasize the creation of equal opportunities for all levels of society so as to reduce poverty levels.

The results of research conducted by Umoru and Evelyn (2018), revealed that higher levels of education have a negative and significant effect on poverty, with primary and higher education being able to reduce unemployment and poverty rates in Nigeria. Education provides better skills and knowledge, thereby increasing employment opportunities and income. In addition, the results of the study by Lavrinovicha (2015), in Latvia, found that there is a positive empirical relationship between education level and labor market status and earnings in Latvia during 2002–2013. Increased education resulted in a significant increase in average earnings,

indicating that investment in education has a direct impact on reducing economic inequality and poverty alleviation.

Papadakis et.al (2020), highlights the impact of the economic crisis on the NEET group (young people not in employment, study or training) in Greece. The results of this study found that education and family background play a significant role in the employment status and life chances of young people. Furthermore, the findings reveal a strong intergenerational transmission of poverty, highlighting the importance of education-based interventions to break the cycle of poverty. Salem et.al (2020), revealed that education has a negative and significant effect on poverty in Iraq. As a mediating variable, increasing the level of education provides an opportunity to escape the cycle of poverty, reducing dependence on informal jobs such as street vendors. Thus, the higher the level of education, the lower the level of poverty.

Didu et al.(2016) also revealed the negative relationship and influence between education and poverty in Lebak Regency, as well as the research findings conducted by Iqraam and Sudibia (2019) which stated that wages have a negative and significant effect on poverty in Bali Province. The research findings of Ariasih and Yuliarmi (2013) also revealed that wages have a negative and significant effect on poverty in Bali Province. Another finding that also produced the same research was the finding Princess and Goddess(2021); Amalia (2017); Salem et al.(2020a); Krisliani and Satyari(2021); Dian and Marhaeni(2015), revealed that education has a negative and significant effect on poverty.

The Impact of Unemployment on Poverty in NTT Province

The t-test results show that the unemployment variable has a positive but insignificant effect on the poverty rate, with a regression coefficient value of 0.09 percent. This means that although there is a positive relationship between unemployment and poverty, there is no statistical effect in this model. In other words, every one percent increase in the unemployment rate is estimated to have no effect on the poverty rate.

This finding is inconsistent with Ragnar Nurkse's vicious cycle of poverty theory. This theory states that poverty is systemic, where low productivity, lack of capital, and limited income reinforce each other. Unemployment, as one element in this cycle, contributes to poverty by limiting household income that can be invested in education, health, or skills development. However, its impact is not significant because poverty is also influenced by other more dominant variables, such as low wages and education.

This research is similar to the findings of research conducted Soto mayor(2021)related to the influence of unemployment on poverty in Brazil, it was found that unemployment has a positive but insignificant effect on poverty due to the dynamics of the influence of

unemployment on poverty which also depends on other factors such as wages, income distribution, and job losses among poor households. Research by Yerrabati (2022), also shows that in Thailand vulnerable employment can reduce poverty slightly, although its impact is limited to the lower income category. This reflects the importance of other factors such as employment and poverty reduction which may require a more holistic policy. Thus, while there is evidence that unemployment affects poverty, its impact is highly dependent on local conditions and the policies implemented.

Umoru and Evelyn (2018), revealed that in Nigeria unemployment has a positive but insignificant impact on poverty. In addition, the existence of community adaptation mechanisms to difficult economic conditions, such as increased informal sector employment, can reduce the direct impact of unemployment on poverty so that unemployment plays a role in exacerbating poverty, but is not always a major determinant in various social and economic contexts.

The same research was also found by Ariasih and Yuliarmi (2013) who stated that unemployment has a positive but not significant effect on poverty in Bali Province. The results of the same research were also conducted by Astari and Utama(2021)which revealed that unemployment has a positive but not significant effect in Bail Province. Other findings were also made by Ningtias and Anwar(2021);Princess and Goddess(2021); Hanifah and Nurul(2021); Amar et.al(2022); Dian and Marhaeni(2015).

4. CONCLUSION

Based on the results of the discussion, the following conclusions can be obtained:

1) Wages, education, and unemployment have a simultaneous effect on poverty in the districts/cities of East Nusa Tenggara Province.

2) Wages and education have a negative and partially significant effect, and unemployment has a positive but partially insignificant effect.on poverty in the Districts/Cities of East Nusa Tenggara Province.

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