ANALYSIS OF FACTORS AFFECTING DISTRICTS' POVERTY IN WEST JAVA PROVINCE YEAR 2016-2019

(Case Study of 17 Districts at Province West Java)

ANALISIS FAKTOR FAKTOR YANG MEMPENGARUHI KEMISKINAN KABUPATEN DI PROVINSI JAWA BARAT TAHUN 2016-2019 (Studi Kasus 17 Kabupaten di Jawa Barat)

UNDERGRADUATE THESIS



Written By: Muthia Amanatunnisa 20170430133

INTERNATIONAL PROGRAM OF ISLAMIC ECONOMICS AND FINANCE
DEPARTEMEN OF ECONOMIC
FACULTY OF ECONOMIC AND BUSINESS
UNIVERSITAS MUHAMMADIYAH YOGYAKARTA
2021

ANALYSIS OF FACTORS AFFECTING DISTRICTS' POVERTY IN WEST JAVA PROVINCE YEAR 2016-2019

(Case Study of 17 Districts at Province West Java)

ANALISIS FAKTOR FAKTOR YANG MEMPENGARUHI KEMISKINAN KABUPATEN DI PROVINSI JAWA BARAT TAHUN 2016-2019

(Studi Kasus: 17 Kabupaten di Jawa Barat)

UNDERGRADUATE THESIS

In partial fulfilment on the requirement for the degree of Bachelor of Economics at International Program for Islamic Economic and Finance (IPIEF),

Department of Economics, Faculty of Economics and Business



Written By:
Muthia Amanatunnisa
20170430133

INTERNATIONAL PROGRAM OF ISLAMIC ECONOMICS AND FINANCE
DEPARTEMEN OF ECONOMIC
FACULTY OF ECONOMIC AND BUSINESS
UNIVERSITAS MUHAMMADIYAH YOGYAKARTA
2021

DECLARATION

Name : Muthia Amanatunnisa

NIM : 20170430133

I Hereby declare that this undergraduate thesis entitled "ANALYSIS OF FACTORS AFFECTING DISTRICTS POVERTY IN WEST JAVA PROVINCE YEAR 2016-2019 (Case Study of 17 Districts at Province West Java) does not consist of any content that ever being proposed for any degree in other university, ideas of any research and publication of other, in exception all quotes and ideas which are purposely taken are considered as the research references and listed in reference list. Therefore, if any violation of intellectual right is found in this study, I agree to accept any relevant academic consequences.

Yogyakarta, 24 September 2021

Muthia Amanatunnisa

MOTTO

When you have forced your will, then put your trust in Allah. Verily, Allah loves those who put their trust in Him.

(Q.S Ali Imran: 159)

But those who are patient and forgive, verily (actions) like that are among the things that are prioritized.

(Surah Ash-Syuura: 43)



ACKNOWLEDGEMENT

In the name of Allah, the Most Merciful, and the Most Gracious. All praise is due to Allah; we praise Him, seek His help, and ask for His forgiveness. I thankful to Allah SWT, who supplied with the courage, guidance, and the love to complete this thesis. Also, peace and salutation always to the Prophet Muhammad SAW. Peace be upon him altogether with his accompanies. This undergraduate thesis has been made as partial compliance of the requirement to achieve the bachelor degree in economics. So, I would like to thank all people who have contributed and a special appreciation to the parties. In particular, they are:

- Praise is to Allah SWT who is most merciful and most merciful, for the abundance of His gifts and the ease that has been given so that I can complete this simple thesis, not to forget also shalawat to the Prophet Muhammad SAW who has brought his people from the days of ignorance to the era of ignorance. full of this knowledge.
- 2. I am grateful, proud, and full of love for my parents, whom I love and miss very much. I dedicate this work to my parents Mrs. Dedeh and Mr. Kurniawan, who always support me and fully support me to achieve my goals. Don't forget to also thank my dearest brothers and sisters, Imam, Yaafi, for always giving me laughter and cheerfulness when I am feeling dizzy and sad in carrying out lectures.

- 3. Mr Rizal Yaya, S.E., M.Sc., Ph.D., Ak, CA as the Dean of the Faculty of Economics and Business, University of Muhammadiyah Yogyakarta, who has provided directions, guidance and convenience for the author to complete the study.
- 4. Supervisor of the Department of Economics Dr. Imamudin Yuliadi, M.Si. and Dyah Titis Kusuma Wardani SE, MIDEC, Ph.D. who always provide input and have been willing to take the time and provide guidance, encouragement, and encouragement to me.
- 5. Thank you IPIEF class 17 friends for more or less three to four years, it has taught me new lessons, and always encouraged one another. I also thank the Director of IPIEF and IPIEF officer, Dr. Dimas Bagus Wiranatakusuma, staff who always help me when I feel troubled.
- 6. Head of Study Program, Lecturer, Administration of FEB, and Staff of Economics Study Program thank you for all the help and support to the author to be able to complete the author's education.
- 7. And all parties who participated in the success of this thesis.

May Allah SWT give multiple rewards to all of us. For the sake of further improvement, constructive suggestions and criticism will be accepted by the author with pleasure. Finally, only to Allah SWT, the author will leave everything. Hopefully it can be useful for writers in general for all of us.

Yogyakanta, 24 September 2021

Muthia Amanatunnisa

TABLE OF CONTENT

DECLARATION	ii
MOTTO	iv
ABSTRACT	
ACKNOWLEDGMENT	
TABLE OF CONTENT	
LIST OF TABLE	
LIST OF FIGURE	
LIST OF APPENDICES	
CHAPTER 1	
INTRODUCTION	
A. Background	
B. Research Questions	
C. Research Objective	
D. Research Benefit	
CHAPTER II	
LITERATURE REVIEW	
A. Theorical Basis	
1. Poverty	
2. Poverty Factor	
B. Hypotesis	
C. Research Framework	71
CHAPTER III	72
METHODOLOGY	72
A. The Scope of Research	72
B. Types of Research	72
C. Oprational Definition of Reseach Variables	73
D. Data Retrieval Method	75
E. Data Analysis Method	76
1. Advantages of Data Panel	77
2. Estimstion Method	
3. Model Testing	80
4. Classical AAssumption Test	84
F. Statistic Test	
1. T-test	86
2. F-test	87
3. Coefficient of Determination (R2)	
CHAPTER IV	01
GENERAL DESCRIPTION	
A Overview of Research Objects	

1.	Regional Physical Condition	91
	Demographics	
B. C	verview of Research Variables	94
1.	Poverty	94
2.	Human Development Indeks (HDI)	95
3	Regional Gross Domestic Product	96
4.	Population	98
5	School Enrolment Rate	99
6	Food Consumer Price	100
СНАРТ	ER V	102
	Γ AND DISCUSSION	
	anel Data Estimation Model	
	election of Panel Testing Model	
	ata Quality Test	
	anel Data Estimation Model Ressult	
E. S	tatistic Test	117
F. It	nterpretation of Result and Discussion	120
СНАРТ	ER VI	129
	USSION, LIMITATION OF THE RESEARCH, AND	
RECOM	IMENDATION	129
	onclussion	
	imitation Research	
	ecomendassion	
REFER	ENCES	134
	DIX	

LIST OF TABLES

Tabel 1.1 Human Development Indeks (HDI) by West Java	5
Tabel 1.2 District Open Unemployment Rate (Percent)	6
Tabel 1.3 RGDP by West Java (Percent)	8
Tabel 1.4 Number of District Population in West Java (Percent)	9
Tabel 1.5 School Participation Rates age 16-19 in West Java (Percent)	12
Tabel 2.1 Literature Review	58
Tabel 4.1 Poverty Rate by West Java	94
Tabel 4.2 HDI by West Java District	
Tabel 4.3 GDRP on Constan Price by West Java (%)	
Tabel 4.4 Number of District Population in West Java (%)	98
Tabel 4.5 School Participation Rates Age 16-18 in West Java (%)	99
Tabel 5.1 Estimation Models Common Effect, Fixed Effect, Random Effe	ct 102
Tabel 5.2 Chow Test Model	104
Tabel 5.3 Hausman Test Model	105
Tabel 5.4 Heterocedacity Test	105
Tabel 5.5 Multicoleniarity Test	106
Tabel 5.6 Fixed Effect Model Estimation	107
Tabel 5.7 t-Test Model	118

LIST OF FIGURES

Figure 1.2	Poverty Persentage in West Java	3
Figure 1.2	Average Rice Price IR 64 Consumers in West Java (2016-2019)	15
Figure 2.1	The Circle of Poverty	22
Figure 2.2	Kurtz Curve	23
Figure 2.3	Balance of Labor Demand	29
Figure 2.4	The Journey of the HDI Calculation Methodology at UNDP	36
Figure 3.1	Research Framework	71
_	West Jawa Map	

LIST OF APPENDICES

Appendix 1. Common Effect Model Test	139
Appendix 2. Fixed Effect Model Test	
Appendix 3. Random Effect Model	
Appendix 4. Chow Test Model	
Appendix 5. Hausman Test	
Appendix 6. Heterocedacity Test	
Appendix 7. Multicoleniarity Test	
Appendix 8. Regression Data	
ippendix of Regional Data	1 10