



Analysis of Factors Affecting the Number of Poor People in Central Java in 2017–2021

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Abstract. The purpose of this research is to examine the direction and amount of the impact of the open unemployment rate, district/city minimum wage, population density, economic growth, and domestic investment on the number of poor people in Central Java between 2017 and 2021. The research data used in this study is secondary data obtained from the Central Statistics Agency (BPS). Panel data regression analysis was used in this work, which included time series data from 2017 to 2021 as well as cross-section data from 35 regencies/cities in Central Java. The data is analyzed with Eviews10, and the resulting equation is the Fixed Effect Model (FEM). The findings revealed that three of the five independent factors had a substantial or genuine influence on the dependent variable, namely the number of poor people. These independent variables include the level of open unemployment which has a positive and real effect, the district/city minimum wage has a negative and real effect and domestic investment has a positive and real effect on the number of poor people. Meanwhile, the variables of population density and economic growth have no effect on the number of poor people. In the research conducted, it was discovered that the coefficient of determination (R^2) was 0.9956, meaning that 99.56% of the number's fluctuation of poor people could be explained by variable variations in the open unemployment rate, district/city minimum wage, population density, economic growth and domestic investment and the remaining 0.44% variations in factors excluded from the study explained.

Keywords: number of poor people · open unemployment rate · district/city minimum wage · population density · economic growth · domestic investment

1 Introduction

In this era of globalization, the problem of a country that is often encountered is none other than poverty. According to Jacobus et al., poverty can be complex and multidimensional when side by side with social, economic, cultural, and other factors. Dimension is the nature of poverty, solutions are also similar. Poverty is one of the important agendas of the SDGs (Sustainable Development Goals), which at the end of 2015 was known as the MDGs (Millennium Development Goals) [1]. According to Dwi Heriansyah et al., poverty is an important indicator of a country's successful development. Every country is doing its best to reduce the poverty rate. Most countries make economic growth the main condition for reducing poverty [2].

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According to Nafi'ah, poverty can be defined as a society that is at the bottom of the standard of living with the inability to meet a certain amount of material compared to the standard of living in a society in general [3]. According to Isnaeni, the problem of poverty continues to be the dominant and big problem in Indonesia. Unevenly distributed poor people occur in the Indonesian Archipelago. In 2011–2012 the distribution of poor people with a large number was in Java Island [4]. With the rise of poverty in several countries in the world, the government is constantly trying to alleviate existing poverty. Many factors make poverty increase, especially the growing number of disadvantaged individuals as a result of a lack of education, health, job opportunities, and so on. That way, existing human resources cannot help support a country's economic growth.

According to Nurcholis, Indonesia is a dynamic country that is still working on economic growth in order to create a rich communal life [5]. Welfare can be achieved by the support of employment opportunities and the equitable distribution of people's incomes because the statistic of job opportunities within the labor strength is not balanced which causes gaps. According to Arifin, poverty is often a problem in Indonesia. There were 28.59 million people, or 11.22%, of Indonesia's poor population in 2015. This shows that Indonesia's economic growth has not been successful [6]. Indonesia is a country with a diverse culture supported by a very large population. However, the Indonesian state is still tied to the problem of poverty, and the number of impoverished people is not small till now Indonesia, according to Rahayu et al., is a country with a wide range of areas and geographies. That way the problem of poverty in Indonesia is relevant in response to the issue of unequal geography. A location which is a dimension of space becomes one that can affect poverty [7]. One of the provinces in Indonesia in Central Java. Central Java with 35 regencies/cities owned, makes this province one of the regions that have experienced an a rise in the number of impoverished persons. Increasing poverty is an important problem and wise solutions are needed so that people's welfare can continue to improve. Especially during the COVID-19 epidemic, the Central Java area as a result of the large number of people, the number of destitute people increased who lost their employment, making income reduced, and difficulty in making ends meet.

Figure 1 shows that from 2017 to 2021 every year, the number of poor individuals in Central Java Province has risen and fallen. Despite a little drop in 2019, the number

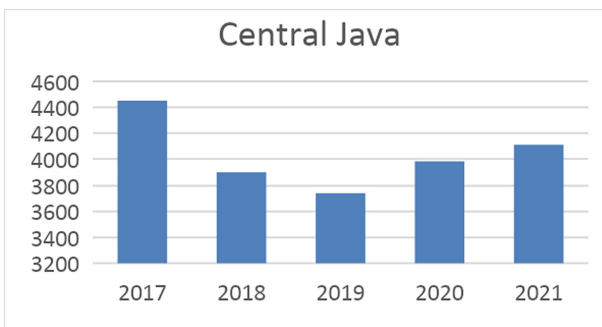


Fig. 1. The poor population of Central Java

of underprivileged people in Central Java remains high grew because to the COVID-19 epidemic from 2020 to 2021. In 2017, there were 4,450.72 thousand impoverished individuals in Central Java, then from 2018 to 2019 it decreased from 3,897.2 thousand people to 3,743.23 thousand people. However, from 2020 to 2021 the number of poor people increased again from 3,980.9 thousand people to 4,109.75 thousand people. This is due to the COVID-19 epidemic that has afflicted nations worldwide, including Indonesia, especially in the province of Central Java. The economy of Central Java in 2020 in the first quarter experienced a decline of minus 0.84%, followed by the second quarter of minus 5.18% and in the third quarter the economy grew positively by 4.79% but this has not been able to restore economic conditions properly. Central Java can be said to have entered an economic recession, the government has made efforts to limit the spread of COVID-19, which has impeded sectors' activity. In addition, there was a reduction in the number of workers, working hours, and other things resulting in not a few people who eventually became unemployed and led to an increase in the number of impoverished people in Central Java.

According to Satriawan & Oktavianti, poverty in Indonesia 2012 was still at a fairly high level of 32.53 million people [8]. Until now, poverty in Indonesia is still at a stage that is not much different, there continues to be a decline and increase every year. The government continues to make efforts to deal with the number of impoverished individuals is growing. An increase in the number of impoverished individuals may be attributed to an increase in unemployment, which may be accompanied by a raise in the district's/minimum city's wage. The increasing population density will have an impact on the increasing number of jobless individuals. If there is no balance between work options and labor force participation, poverty will worsen as the number of poor individuals grows. That way, economic growth will decline. According to Soebagiyo & Hascaryo, in globalization, the Indonesian economy is required to be ready to compete with other countries. The economic development of the country is prepared to the maximum. The way to prepare for it is the existence of a strong economy and a stable national economy because regionally the national economy cannot be separated from economic development [9]. The government should take action in every area that is still affected by high enough poverty so that development in Indonesia can continue to run well.

According to the foregoing, this study will address the question of how large and directional the effect of the open unemployment rate, district/city minimum wage, population density, economic growth, and domestic investment on the number of poor people in Central Java in 2017–2021.

2 Bibliography Review

2.1 Number of Poor People

The poor population is a condition where a low ability of a number of people can meet the needs of life. Person is considered poor if their monthly average per capita spending falls below the poverty line. [10]. The poor population can increase if several people in an area do not have jobs which results in the inability to meet the necessities of life. The causes of the emergence of poor people include declining people's income, one of

which is due to the large number of workers who are laid off, an increase in the price of staples that make it difficult for people to buy them, and low economic growth.

2.2 Open Unemployment Rate

The open unemployment rate is the proportion of unemployed people in comparison to the total labor force. The working population aged 15 and up constitutes the labor force in question. Unemployment can also be defined as a population with an unclear job, preparing or creating a business that can later become a livelihood, not looking for a job due to a certain obstacle, and not being active in the job that has been owned because they have not done the work [11]. According to Rambe & Prihanto, the general cause of open unemployment is due to the large labor force or people looking for work outnumbering the number of available jobs [12]. Because people's productivity and income are diminished, open unemployment is one of the causes of economic development stifling. This will result in destitution.

In general, open unemployment is caused by several factors such as the incompatibility of one's skills with a job in a company, the lack of experience of a person which results in difficulty finding a job, and when economic conditions are reaching a crisis stage, the company will minimize the number of workers or in other words the occurrence of layoffs which increases the number of unemployed. In addition, changes in the work system in a company that usually works using human labor will eventually be replaced with a sophisticated machine system, this can also increase the number of unemployed.

2.3 District/City Minimum Wage

To compensate workers or workers for the effort they have put into a job, wages can be in the form of money or other forms of payment. Different types of wages, including minimum wage, a living wage, real wage, and fair wage. One of these types of wages is the minimum pay, which is utilized as the bottom line. Standard in determining payments or salaries to workers/laborers who have done a project or work.

2.4 Population Density

The amount of people or communities per unit area is referred to as population density. This level of population frequency is usually used as a reference for transmigration programs as a goal of population equality [13]. The increasing population is increasingly dense in Indonesia, especially in the province of Central Java, it makes a new problem with the progress of development because it is considered one of the obstacles in the course of economic development. According to Runtunuwu & Tanjung, if a population experiences growth but is not balanced by means or strategies to control the increase, then the growing population cannot be controlled and will result in the growth of the city [14].

According to Putri et al. population density is an important issue for the progress of a country, because it has a great effect on the progress of a country. There is usually a

population density scale created by a country as a security boundary. If the number of inhabitants exceeds the predetermined limit, it will result in an explosion in the number of inhabitants [15]. Population density can be caused by several factors, namely the state of the region paying attention to fertile soil conditions, sufficient water availability, climate, natural resources, and the location of heights usually choosing lowlands over highlands. Then, regions with more promising job availability will make people interested in living in the region. In addition, the state of the environment that is classified as safe and modern is also an attraction of the region. As a result, areas with these conditions will experience an increase in the number of people who become dense. With a dense population but limited employment opportunities, it will have an unfavorable impact, there appears to be a rise in the number of impoverished individuals.

2.5 Economic Growth

Sukirno defines economic activity growth as increases the number of goods and services that have been processed by the community, thereby improving its welfare, is known as economic growth [16]. The high rate of economic growth in a society is a sign that a nation has achieved success in its development category. When economic growth is high, people's welfare can be safely guaranteed. However, when economic growth decreases, it will result in a decrease in the welfare of the people of a region. One of them is the rise in the number of destitute individuals as a result of economic growth that does not grow optimally.

2.6 Domestic Investment

According to S & Soegoto, Domestic Investment (PMDN) is an investment activity carried out by individuals or business entities to conduct business in the Republic of Indonesia utilizing domestic capital [17]. Domestic investment plays an important role in poverty alleviation. Domestic investment, of them, can be utilized by creating new jobs to reduce the increasing unemployment rate. That way, the statistic of poor individuals will decrease, as will unemployment in a given location.

3 Review Literature

According to Sukirno, one type in the classification of unemployment based on its characteristics is that open unemployment has the meaning of a person with a category of labor without a job or livelihood. The number is not small due to the low availability of job vacancies than the number of workers. Usually, the emergence of these events is the result of a change in the work system from what was originally human labor and then moved to keep up with the times and technological advances that continue to experience development [18].

According to Isnaeni (in Mudrajad), the cause of poverty that will eventually lead or end up in a theory is the theory of poverty circles [4].

According to Sari et al., the research that has been carried out uses a quantitative approach method with the outcomes of SPSS data processing From 2000 to 2019, the

Gross Regional Domestic Product (GRDP), Human Development Index (HDI), and Open Unemployment Rate (TPT) and their effects on the number of disadvantaged people in Gresik Regency. The magnitude of the regression coefficients of each variable is (-0.001), (-5.642), and (7.413), as well as empirical significance (ρ) of 0.000 (< 0.05), 0.032 (< 0.05) and 0.031 (< 0.05) [19]. Meanwhile, according to research that has been carried out by Sholihin using the multiple linear regression method. It is stated that the minimum wage affects the number of poor people in Central Java Province with a coefficient of (- 0.515) and empirical significance (ρ) of 0.004 (< 0.05). However, the variable unemployment rate did not affect the number of poor people with empirical significance (ρ) of 0.237 (> 0.10) [20].

According to Utami & Masjkuri, the research that has been carried out uses panel data regression analysis. Raising the minimum wage, the unemployment rate, and education impacts the amount of impoverished people in 38 East Java districts/cities. The magnitude of the regression coefficient of each variable is (4.51), (1,569,148), and (38,633.31), as well as empirical significance (ρ) of 0.0000 (< 0.05), 0.0342 (< 0.05) and 0.0000 (< 0.05). Economic growth did not affect the number of impoverished people with empirical significance (ρ) of 0.6137 (> 0.10) [21].

According to S & Soegoto, the research has been carried out using the least square dummy variable panel. Finding Domestic Investment (PMDN) and Foreign Investment (PMA) affects reducing poverty in Indonesia for the 2010–2019 period. The magnitude of the regression coefficient of each variable is (- 5.69E-05) and (- 1.05E-05), as well as the empirical significance (ρ) of 0.0001 (< 0.05) and 0.0000 (< 0.05) [17]. Meanwhile, according to Safitri and Saleh, research has been carried out using the multiple linear regression method. Raising capital expenditure and foreign investment affected poverty in South Kalimantan for the 2008–2017 period. The magnitude of the regression coefficient of each variable (-3.3368) and (-4.0336) as well as empirical significance (ρ) of 0.0206 (< 0.05) and 0.0100 (0.05). However, the variables of non-capital expenditure and domestic investment have no effect on poverty with empirical significance (ρ) of 0.3535 (> 0.10) and 0.5545 (> 0.10) [22].

According to Putri et al., the research that has been carried out uses panel data regression analysis. It is stated that economic growth for the 2013–2017 period, poverty rates in districts/cities in Jambi Province are influenced by and population density. The magnitude of the regression coefficients of each variable is (-0.156002) and (-0.012318), as well as the empirical significance (ρ) of 0.0330 (< 0.05) and 0.0448 (< 0.05). Meanwhile, the HDI has no impact on the poverty rate with empirical significance (ρ) of 0.1300 (> 0.10) [15]. Meanwhile, according to Maarif the research that has been carried out uses the panel data regression analysis method. Finding criminality and education budgets affects poverty in 9 cities of East Java Province in 2014–2018 with coefficients of (2.833201) and (-3.571307) and empirical significance (ρ) of 0.0004 (< 0.05) and 0.0001 (< 0.05). However, the population density variable had no effect on poverty with empirical significance (ρ) of 0.1994 (> 0.10) [23].

According to Pangiuk, the research that has been carried out uses a quantitative approach with simple regression statistical analysis. For the years 2009–2013, economic growth is said to have had little effect on poverty in Jambi Province. With empirical significance (ρ) of 0.236 (> 0.10) [24]. Meanwhile, according to Pratiwi and Malik's

research with the panel data regression analysis method. Promoting economic growth, education and health levels influenced the number of poor people in Bali for the 2011–2020 period. The magnitude of the regression coefficient of each variable is (0.022869), (- 0.007981), and (- 0.446350) as well as empirical significance (ρ) of 0.0123 (< 0.05), 0.0396 (< 0.05) and 0.0000 (< 0.05) [25].

According to Ningrum, the research that has been carried out uses the panel data regression analysis method. The open unemployment rate, human development index, and minimum wage influenced the number of poor people in Indonesia for the period 2011–2015. The magnitude of the regression coefficient of each variable (0.73014), (-0.865177), and (1.33E-06) as well as empirical significance (ρ) of 0.0018 (< 0.05), 0.0000 (< 0.05), and 0.0000 (< 0.05) [26]. Meanwhile, according to research that has been carried out by Sundari with the regression method of panel data analysis. The open unemployment rate, human development index, and minimum wage have no effect on the number of poor people in Lampung Province from an Islamic perspective for the 2011–2017 period with empirical significance (ρ) of 0.3751 (> 0.10), 0.6541 (> 0.10) and 0.2701 (> 0.10) [27].

4 Research Methods

4.1 Analysis Tools and Models

In this study, tools and analysis models using panel data regression, there are two data including time series data, namely from 2017–2021, as well as cross-section data from 35 Central Java regencies/cities. This analysis was processed using Eviw10. The number of poor people as independent variabel. Meanwhile, the open unemployment rate, district/city minimum wage, population density, economic growth, and domestic investment as the independent variables. In panel data analysis, there are four stages, namely model selection including Common Effect Model (CEM), Fixed Effect Model (FEM), and Random Effect Model (REM). Then, it is tested through a chow test and a Hausman test. Furthermore, an influence validity test (Test t) and a model goodness test (Test F and Test coefficient of determination or R²) are carried out. In addition to these four steps, economic interpretation is carried out. The model equations used in this study are as follows:

$$\log\text{POV}_{it} = \beta_0 + \beta_1\text{TPT}_{it} + \beta_2\log\text{UMK}_{it} + \beta_3\text{KP}_{it} + \beta_4\text{PE}_{it} + \beta_5\log\text{PMDN}_{it}.$$

Description:

- POV :Number of Poor Population (Thousand People)
- TPT :Open Unemployment Rate (%)
- UMK :Regency/City Minimum Wage (Rupiah)
- KP :Population Density (Per km²)
- PE :Economic growth (%)
- PMDN :Domestic investment (Million rupiah)
- ε :Error term
- β_0 :Constant
- β_1 ... β_5 :Independent variable regression coefficient
- I :Data Cross Section
- T :Time Series Data for 2017-2021

4.2 Data Types and Sources

This study used a secondary type of data whose data source came from an outside party. Data for the data for this study were obtained from the Central Statistics Agency (BPS).

5 Result and Discussion

5.1 Analysis Result

Chow Test. The chow test is used in this study to assess whether the Common Effect Model (CEM) or the Fixed Effect Model (FEM) should be used (FEM).

Table 1 of the Chow test regression findings reveals a F probability of 0.0000 and a Chi-square probability of 0.0000 H_0 : Selected model Common Effect Model is the hypothesis for the chow test (CEM). While H_0 is selected, the Fixed Effect Model (FEM) is used. H_0 is rejected if the probability values of F and Chi-square are smaller than the value of alpha. If the F and Chi-square probability values are larger than the alpha value, then H_0 is accepted. H_0 is denied based on the data because of the probability value of F and the likelihood of Chi-square of 0.0000 0.05. As a result, the chow test data was modeled using the Fixed Effect Model (FEM).

Hausman Test. In this study, the Hausman test is used to determine whether to utilize the Random Effect Model (REM) or the Fixed Effect Model (FEM).

According to Table 2 of the Hausman test regression findings, a probability value of 0.0001 was achieved. The Hausman test includes a hypothesis, H_0 : Selected model

Table 1. Chow Test

Redundant Fixed Effects Tests			
Equation: REGRESI			
Test cross-section fixed effects			
Effects Test	Statistic	d.f.	Prob.
Cross-section F	468.389040	(34,135)	0.0000
Cross-section Chi-square	836.294614	34	0.0000

Source: Processed secondary data

Table 2. Hausman Test

Correlated Random Effects - Hausman Test			
Equation: REGRESI			
Test cross-section random effects			
Test Summary	Chi-Sq. Statistic	Chi-Sq. d.f.	Prob.
Cross-section random	25.639219	5	0.0001

Source: Processed secondary data

Table 3. Fixed Effect Model (FEM)

$$\log POV_{it} = 10.10195 + 0.024802 TPT_{it} - 0.404262 \log \log (UMK)_{it} + 8.24E06 \log \log (KP)_{it} - 0.001716 PE_{it} + 0.008334 \log(PMDN)_{it}$$

(0.0001)***
(0.0000)***

(0.6955)
(0.4541)
(0.0436)**

$R^2 = 0.995583$; $DW = 1.777503$; F statistic = 780.1671; Prob. F = 0.00000

Source: Processed secondary data

Note: ***Significant at = 0.01; **Significant at = 0.05; *Significant at = 0.10. The number in brackets is the statistical empirical probability t

Table 4. Effect Validity Test (t-test)

Variable	Prob.t	Criterion	Conclusion
<i>TPT</i>	0,0001	< 0,01	Proven to be real at $\alpha = 0.05$
<i>UMK</i>	0,0000	< 0,01	Proven to be real at $\alpha = 0.05$
<i>KP</i>	0,6955	> 0,10	Not proven real at $\alpha = 0.10$
<i>PE</i>	0,4541	> 0,10	Not proven real at $\alpha = 0.10$
<i>PMDN</i>	0,0436	< 0,05	Proven to be real at $\alpha = 0.05$

Source: Table 4 processed

Random Effect Model (REM). While H_a : Model Selected Fixed Effect Model (FEM). As long as the probability value is less than the alpha amount, H_0 is rejected. H_0 is acceptable if the probability amount is greater than the alpha value. According to the given data, H_0 is rejected due to a probability value of 0.0001 0.05. As a result, the equation model employed in the preceding test is the Fixed Effect Model (FEM) (Table 3).

5.2 Effect Validity Test (t-test)

The influence validity test (Test t) is a test designed to see if independent factors have any influence on dependent variables. The hypothesis used is H_0 in the t-test $\beta_1 = 0$, independent variables have no significant effect. H_a in the t-test $\beta_1 \neq 0$, independent variables had a significant influence. H_0 is dropped if the probability value is less than α . While H_0 is approved if the probability amount is more than α .

The open unemployment rate, the first of three independent variables, has a positive and substantial effect, as seen in Table 4, as seen in the preceding table. Second, there are significant and negative influences of the district/city minimum wage. Third, Domestic investment has a favorable and considerable impact on the number of poor people.

5.3 Model Goodness Test

Model Existence Test (F Test). A model is evident if its independent variables simultaneously influence the dependent variables. The existence test of this model is commonly

referred to as Test F using five independent variables, so the formulation of the hypothesis of the test, namely $\beta_1 = \beta_2 = \beta_3 = \beta_4 = \beta_5 = 0$, means that the entire variable coefficient is zero, that way the open unemployment rate, as well as the district/city minimum wage, population density, economic growth, and domestic investment together do not affect the number of poor people. While H_a is $\beta_1 \neq \beta_2 \neq \beta_3 \neq \beta_4 \neq \beta_5 \neq 0 \vee 0$, meaning that together the open unemployment rate, district/city minimum wage, population density, economic growth, and domestic investment affect the number of impoverished persons. The next provision is that H_0 is not rejected if the statistical probability is $F > \langle$. Meanwhile, H_0 is rejected if the statistical probability is $F \delta \langle$. It is known that the statistical probability of F is 0.0000, meaning $0.0000 < 0.01$. So H_0 is denied, and it is possible to deduce that the open unemployment rate, district/city minimum wage, population density, economic growth, and domestic investment all have an impact on the number of impoverished people.

Coefficient Of Determination Test (R^2). The coefficient of determination test (R^2) assesses a model's ability to represent fluctuations in independent variables. In the regression results, R^2 was found to be 0.9956 or 99.56%. This means that 99.56% of the open unemployment rate, district/city minimum wage, population density, economic growth, and domestic investment account external causes contribute for 99.56% of the fluctuation in the number of impoverished individuals, whereas internal factors account for 0.44.%

5.4 Economic Interpretation

Effect of Open Unemployment Rate on the Number of Poor People. The open unemployment rate has a positive and substantial effect on the number of impoverished individuals, according to the results of the influence validity test (t-test). This means that if the open unemployment rate rises, so will the number of impoverished individuals.

The findings of this study are consistent with the findings of Sari et al, who discovered that the open unemployment rate has a positive and substantial influence on the number of impoverished individuals in Gresik Regency [19]. Research that has been conducted by Pertiwi & Purnomo previously also has similar results, that the open unemployment rate has a positive, substantial, or actual influence on the poverty rate in Lampung Province [28].

Effect of District/City Minimum Wage on the Number of Poor People. The influence validity test (t-test) results indicate that the district/city minimum wage has a negative and significant impact on the number of poor people. This indicates that if the district/city minimum wage rises, so will the number of impoverished individuals.

The findings of this study contradict Ningrum's research, which found that the district/city minimum wage had a favorable and substantial influence on the number of impoverished people in Indonesia between 2011 and 2015 [26]. Nonetheless, this study builds on the work of Utami and Masjkuri. The district/city minimum wage is recognized to have a detrimental impact on the number of impoverished people in 38 regencies/cities in East Java province [21].

Effect of Population Density on the Number of Poor People. According to the results of the impact validity test (t-test), population density has no effect on the number of impoverished individuals. The findings of this study are consistent with the findings of Nyompa et al, who discovered that population density has no effect on poverty levels [29].

The Effect of Economic Growth on the Number of Poor People. According to the results of the influence validity test (t-test), economic growth has no influence on the number of individuals living in poverty. The results of this study are consistent with Romi and Umiyati's research, which shows that economic growth has no effect on poverty in Jambi City [30].

The Effect of Domestic Investment on the Number of Poor People on the Number of Poor People. According to the results of the influence validity test, domestic investment has a significant and favorable impact on the number of underprivileged individuals (t-test). As a result, as domestic investment grows, so will the number of impoverished individuals.

The findings of this study are consistent with previous research by S and Soegoto, which found that domestic investment had a favorable and substantial influence on poverty reduction [17].

6 Conclusion

According to the study conducted utilizing panel data regression analysis to evaluate factors influencing the proportion of impoverished individuals in Central Java between 2017 and 2021. With the open unemployment rate, district/city minimum wage, population density, economic growth, and domestic investment as independent factors. The conclusions obtained include: (1) The open unemployment rate with a coefficient of 0.024802 and a probability value of 0.0001, has a positive and substantial influence on the number of impoverished individuals. (2) With a coefficient of -0.404262 and a probability value of 0.0000, the district/city minimum wage has a negative and significant influence on the number of impoverished individuals. (3) With a probability of 0.6955, population density has no effect on the number of impoverished individuals. (4) With a probability of 0.4541, economic growth has no effect on the number of impoverished people. (5) With a coefficient of 0.008334 and a probability value of 0.0436, domestic investment has a positive and substantial influence on the number of impoverished individuals. The regression results yielded an R-square value of 0.9956, indicating that 99.56% of the variation in the number of poor people can be explained by changes in the open unemployment rate, district/city minimum wage, population density, economic growth, and domestic investment, while the remaining 0.44% can be explained by changes in variables excluded from the study.

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