International Journal of Business and Applied Economics (IJBAE)
Vol. 4, No. 4, 2025: 1743-1758

Analysis of the Effect of Per Capita GRDP, Education, Income Inequality and Investment on Poverty in Urban Areas in East Java Province

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A R T I C L E I N F O

Keywords: Poverty, RGDP Per Capita, Education, Income Inequality, Investment

Received : 5, June
Revised : 23, June
Accepted: 25, July

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A B S T R A C T

This study examines the impact of per capita RGDP, education, income inequality, and investment on Poverty in nine cities in East Java from 2019 to 2023 using the Fixed Effects Model (FEM) in EViews 13. The results show that higher per capita RGDP significantly reduces Poverty, while Domestic Investment is positively associated with Poverty, indicating its ineffectiveness in alleviating it. Education, income inequality, and Foreign Direct Investment (FDI) show no significant effects. The findings highlight the need for inclusive and sustainable Poverty reduction policies by local governments.

DOI: https://doi.org/10.55927/ijbae.v4i4.190
ISSN-E: 2963-6124
https://nblformosapublisher.org/index.php/ijbae

INTRODUCTION

Economic development in a region is directed toward sustainable change for the better in order to improve economic conditions. The goal is to create jobs and reduce various issues in economic development in order to achieve community welfare, especially at the regional level. However, in a number of regions in Indonesia, the issue of Poverty is still a hot topic among the community. In fact, economic development has not been entirely successful in reducing Poverty rates, especially in areas that have actually shown an increase in Poverty rates from year to year.

Poverty is a complex issue that reflects an individual's inability to meet basic needs and achieve a decent standard of living. According to (Manalu et al., 2024), Poverty is defined as the inability to meet minimum living standards, while (Fatmawati & Aisyah, 2023) refer to it as an economic disease that must be reduced comprehensively and holistically. Poverty not only impacts the economy but also quality of life and social stability, making it a top priority for the government. Data shows that East Java Province contributed the highest number of poor people in Indonesia during the 2019–2023 period, followed by West Java, Central Java, Banten, DKI Jakarta, and DIY Yogyakarta. This information can be visualized in graph form to illustrate Poverty trends per province over the last five years.

Figure 1. Data on the Poor Population of Java Island by Province 2019-2023 (Thousands of People)

East Java Province consists of 38 administrative regions, namely 29 regencies and 9 cities, reflecting its geographical and socio-economic diversity. Although both are at the same administrative level, there are significant differences in terms of government, area, population density, and economic structure. Regencies led by regents typically have larger areas with an agrarian

character and fewer residents, while cities led by mayors tend to be more densely populated and focused on the trade, services, and industrial sectors. Given these differences in characteristics, particularly in economic structure, this study focuses on nine cities in East Java to analyze the influence of various variables on Poverty levels in urban areas.

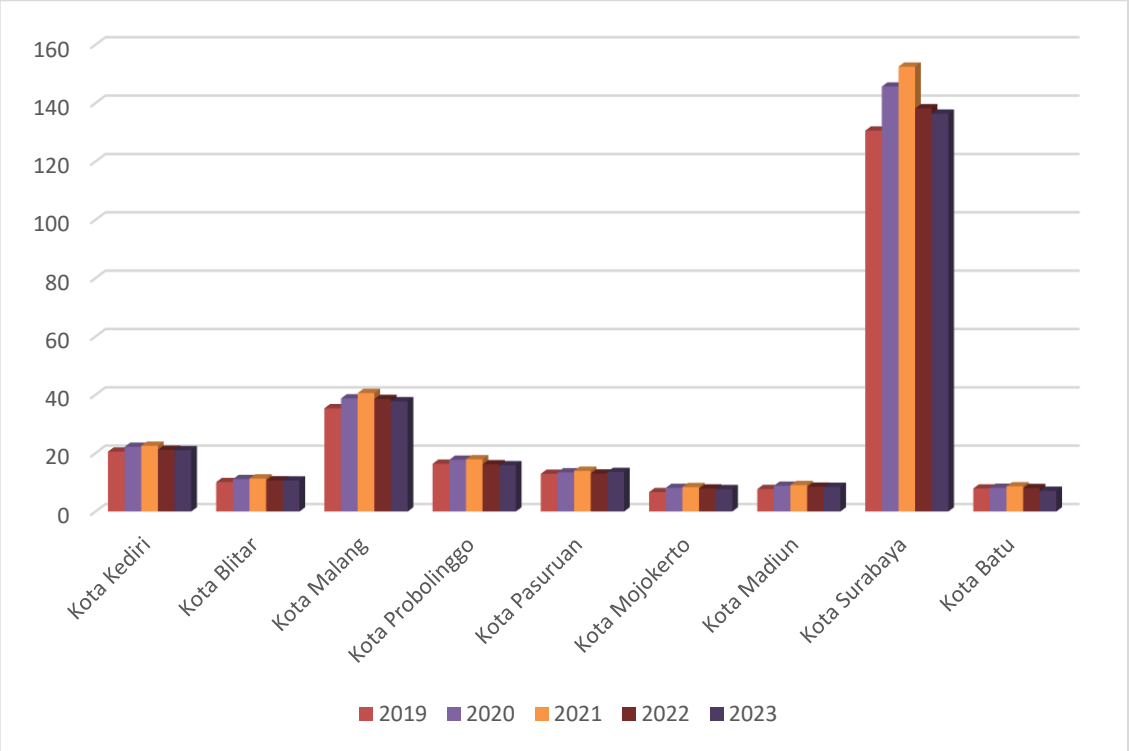

Figure 2. Graph Poor Population in Urban Areas in East Java Province 2019-2023 (Thousands of People)

Poverty conditions in nine cities in East Java Province vary, with Surabaya recording the highest number of poor people despite being the economic center of East Java Province. This shows that Poverty remains a crucial issue in big cities. Meanwhile, cities such as Malang, Kediri, and Probolinggo have lower numbers of poor people, but still show fluctuations from year to year.

To break the cycle of Poverty, economic development must prioritize equity alongside growth. One key indicator is the increase in per capita GDP, which reflects economic strength and societal well-being. In theory, a high GRDP per capita indicates the progress of a region (Sari & Novianti, 2024). However, in East Java Province, this is not fully reflected due to unequal income distribution, so that the benefits of economic growth are not felt across the board.

The city of Surabaya has a high per capita GRDP, but its Poverty rate also remains high, reflecting that economic growth does not always go hand in hand with Poverty reduction. This is likely due to income inequality, disparities in access to education and employment, and uneven distribution of investment. The city of Kediri even consistently records the highest per capita GRDP, highlighting regional disparities. In general, the highest GRDP contributions come from major cities in East Java. However, GRDP fluctuations alone are insufficient to address

Poverty, so improving human capital quality through inclusive and quality education must be a top priority to drive productivity and innovation.

Previous studies also support this. For example, (Febriaty, 2020) found that per capita GRDP has a negative and significant impact on Poverty in North Sumatra Province. However, this differs from the findings of (Karimah et al., 2024), which show a negative but insignificant impact in West Nusa Tenggara. Thus, while per capita GDP is generally considered to play a role in reducing Poverty, its impact can vary depending on the specific conditions of each region.

In addition to per capita GRDP, education is also a factor closely related to Poverty levels. Education is one of the ways for individuals and communities to escape Poverty, because through education, people can improve their quality of life by developing soft skills and hard skills that are useful in the workplace. Therefore, education is considered an appropriate form of development investment, because its benefits can be felt in the long term (Susanto & Pangesti, 2019). The role of education is crucial in Poverty alleviation efforts. Regions with good access to and quality of education generally have lower Poverty rates, as highly educated individuals tend to have greater opportunities to secure decent jobs and income.

The cities of Surabaya, Malang, and Kediri tend to have higher average years of schooling compared to other cities in East Java, such as Probolinggo and Pasuruan, which still have relatively low rates. This difference may be due to disparities in infrastructure and access to education, especially higher education. Surabaya and Malang have completed educational facilities and qualified teaching staff, while Probolinggo and Pasuruan are still limited in terms of the availability of educational institutions, including universities. Research findings on the impact of education on Poverty in East Java show varying results. (Sholikah et al., 2021) found that education has a positive and significant impact on Poverty reduction in Tuban Regency. Meanwhile, (Ridzky Giovanni, 2018) stated that education has no significant impact on Poverty in several provinces, including East Java. This suggests that the impact of education on Poverty can vary depending on the regional context.

Income inequality, or unequal distribution of wealth, occurs when most of the income is controlled by high-income groups, while low-income communities struggle to access economic resources and basic services. According to (Saleh & Rizkina, 2021), This inequality illustrates the unequal distribution of national income among households. A commonly used indicator to assess this condition is the Gini coefficient. This coefficient ranges from 0 to 1, where a value of 0 represents perfect income equality, and a value approaching 1 indicates a high level of inequality. The Gini coefficient serves as a standard measure to evaluate the extent of income disparity within a population. A higher Gini value reflects a more uneven distribution, suggesting that economic benefits are concentrated in certain groups. Therefore, monitoring this indicator is essential for understanding the dynamics of inequality and formulating effective and inclusive economic policies. (Rembang et al., 2009). In East Java, income inequality generally occurs in large cities due to urbanization, limited access to resources, and unequal opportunities for employment and education. Income

inequality is closely linked to Poverty and requires serious attention from the provincial government to formulate integrated strategies to address both issues.

Previous research on the relationship between income inequality and Poverty has produced diverse findings. For instance, (Nisa et al., 2020)identified a negativeand significant influence of income inequality on Poverty in the Bangka Belitung Islands Province. In contrast, a study by (Hendy Pramana Putra, Muhammad Diaudin, 2022) found a positive but statistically insignificant effect of income inequality on Poverty in Blitar City. These contrasting results suggest that the influence of income inequality on Poverty may vary across regions, depending on local economic, social, and demographic conditions. Therefore, regional context plays a crucial role in determining the nature and extent of this relationship.

In an effort to alleviate Poverty, local governments encourage increased investment by exploring the potential of their regions. Investment is considered capable of creating jobs and driving economic activity, thereby providing low-income communities with opportunities to improve their living conditions. According to (Trihantana et al., 2023), investment includes expenditures on production equipment and services, while Sunariyah in (Sutikno et al., 2019) states that investment is long-term capital investment with the expectation of future profits. Both foreign and domestic investments play an important role in regional economic growth, as they not only expand economic resources but also promote inclusive growth, enabling the poor to benefit and improve their well-being.

Previous studies have yielded varying results. (Pratama et al., 2022) found that investment has a positive and significant impact on Poverty in East Java Province. Meanwhile, research by (Febriaty & Nurwani, 2017) shows that while the impact of investment on Poverty in North Sumatra Province is negative, this impact is not significant. This indicates that the impact of investment on Poverty can vary depending on the regional context.

LITERATURE REVIEW

Vicious Circle Poverty

According to Ragnar Nurkse in (Lindrianti, 2022), the Vicious Circle of Poverty theory explains that "a poor country is poor because it is poor." This means Poverty in developing countries results from a series of interrelated factors that form a cycle, making it difficult to break and hindering development. The theory highlights several key causes of Poverty

First, Poverty arises from unequal ownership of resources. Poor communities lack access to quality resources, resulting in low income and unequal income distribution, which limits their access to basic services. Second, low human resource quality contributes to persistent Poverty, closely linked to limited access to education. Without adequate education or skills, individuals tend to be less productive and earn lower incomes, making it difficult to save or invest in their future. This is often due to high education costs, discrimination, or generational disadvantages. Third, Poverty is reinforced by limited access to capital. The poor typically face barriers in obtaining loans or financial support

needed to start businesses or improve their living conditions. This theory emphasizes that Poverty is a self-reinforcing cycle, with each factor strengthening the others, making it difficult to overcome without comprehensive intervention.

Abraham Maslow's theory of needs

Abraham Maslow's Theory of Human Needs (1943) outlines a five-level hierarchy in which individuals strive to fulfill their needs gradually, starting from the most basic to the highest level (Yulhendri & Susanti, 2017). The first level is physiological needs, including essential survival needs such as food, water, and shelter. The second is the need for safety, both physically and emotionally, which involves protection from threats, access to healthcare, and freedom from chronic stress and anxiety that can lower productivity. The third level is social needs, which refer to human relationships such as friendship, affection, and the sense of belonging. Poverty often limits social interaction, leading to feelings of isolation, lack of emotional support, and psychological distress. The fourth level is esteem needs, where individuals seek respect and recognition. However, people living in Poverty often experience a lack of respect due to the social stigma associated with their economic status. The fifth and highest level is self-actualization, the desire to realize one's full potential and capabilities. According to Maslow's theory, Poverty can trap individuals in a cycle that prevents them from fulfilling even their basic needs, making it difficult to progress toward higher-level needs. This, in turn, negatively impacts their physical, emotional, and psychological well-being.

METHODOLOGY

This study adopts a descriptive quantitative approach, utilizing numerical data for analysis. The research relies on secondary data, where the number of poor people serves as the dependent variable, while the independent variables include RGDP per capita, education, income inequality, and both Foreign Direct Investment (PMA) and Domestic Investment (PMDN). The data sources are official institutions such as the Central Statistics Agency (BPS) of East Java and the Investment and One-Stop Integrated Services Agency (DPM) of East Java Province. The analysis technique employed is panel data regression, processed using EViews 13 software. According to (Gujarati & Porter, 2012), the panel data regression model is formulated as follows:

$$Yi = \alpha it + \beta X1it + \varepsilon it$$

Explanation:
Y : Dependent variable
α : Constant coefficient
β : Regression coefficient
X : Independent variable
ε : Error

RESEARCH RESULT

Selection of Panel Data Estimation Models

a. Chow Test

Table 1. Result chow test

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

Effects Test	Statistic	d.f.	Prob.
Cross-section F	223.562812	(8,31)	0.0000
Cross-section Chi-square	183.254903	8	0.0000

The results of the Chow test indicate a probability value of 0.0000, which is below the 0.05 significance level. This confirms that the Fixed Effect Model (FEM) is more appropriate than the Common Effect Model. However, the Chow test alone does not confirm that FEM is the most suitable model overall. Therefore, additional testing—such as the Hausman test—is required to determine the best-fitting model for the panel data analysis. Further evaluation is essential to ensure the accuracy and reliability of the chosen model in capturing the characteristics of the dataset.

b. Hausman Test

Table 2. Result hausman test

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	171.277166	5	0.0000

The Hausman test results indicate a probability value of 0.0000, which is below the 0.05 significance threshold. This suggests that the Fixed Effect Model (FEM) is the most appropriate model for this study. In line with the Chow test results, which also support the use of FEM, it can be concluded that FEM is the best model for analyzing the panel data. Therefore, conducting the Lagrange Multiplier (LM) test to compare the Random Effect Model (REM) and the Common Effect Model (CEM) is no longer necessary, as FEM has already been identified as the most suitable model based on the previous tests.

c. Panel Data Regression Equation

Table 3. Panel Data Regression Equation

Variable	Coefficient	Prob.
C	1.904870	0.9669
PDRB	-0.000286	0.0019

PEND	3.686775	0.2826
KETPEND	-9.641739	0.5291
PMA	-1.454233	0.2816
PMDN	1.000586	0.0000

The following regression equation was obtained:
KM = 1.904870 - 0.000286PDRBit + 3.686775PENDit - 9.641739KETPENDit - 1.454233PMAit + 1.000586PMDNit
Based on the above regression results, the panel data regression equation was obtained with the following conclusions:

1. The constant value in the panel data regression equation of 1.904870 indicates that if the per capita GDP, education, income inequality, foreign direct investment, and domestic direct investment remain constant, Poverty will increase by 1.904870 people.
2. The coefficient value in the regression equation for the per capita GDP variable (X1) is -0.000286, indicating that this value has a negative effect on Poverty (Y). This means that every 1 rupiah increase in per capita GDP will reduce Poverty in urban areas in East Java Province by 0.000286 people.
3. The coefficient value in the regression equation for the Education variable (X2) is 3.686775, indicating that this value has a positive effect on Poverty (Y). This means that every 1-year increase in Education will increase Poverty in the Urban Area of East Java Province by 3.686775 people.
4. The coefficient value in the regression equation for the Income Inequality variable (X3) is -9.641739, indicating that this value has a negative effect on Poverty (Y). This means that every 1-unit increase in Income Inequality reduces Poverty in the Urban Area of East Java Province by 9.641739 people.
5. The coefficient value in the regression equation for the Foreign Direct Investment (X4) variable is -1.454233, indicating that this value has a negative effect on Poverty (Y). This means that every 1 trillion increases in Foreign Direct Investment will reduce Poverty in urban areas in East Java Province by 1.454233 people.
6. The coefficient value in the regression equation for the Domestic Investment variable (X5) is 1.000586, indicating that this value has a positive effect on Poverty (Y). This means that every 1 trillion increases in Domestic Investment will increase Poverty in urban areas in East Java Province by 1.000586 people.

Classical assumption test

a. Multicollinearity test

Table 4. Multicollinearity test

Variable	Coefficient Variance	Uncentered VIF	Centered VIF
PDRB	9.48E-10	3.383853	1.694795
PEND	24.35071	1267.954	2.651628
KETPEND	5143.127	163.6642	1.818536
PMA	60.28806	9.431870	8.158920
PMDN	0.829777	9.450156	8.292238
C	3263.901	811.8397	NA

Based on the results of the multicollinearity test in the table above, it can be seen that the multicollinearity test shows a VIF value of PDRB (PDRB Per Capita) of 1.694795; VIF PEND (Education) of 2. 651628; VIF KETPEND (Income Inequality) 1.818536; VIF PMA 8.158920; VIF PMDN 8.292238. Therefore, based on these results, the values between the independent variables are < 10, so it can be concluded that there is no multicollinearity.

b. Heteroscedasticity test

Table 5. Heterocedasticity test

Variable	Coefficient	Std. Error	t-Statistic	Prob.
C	320.1821	2054.453	0.155848	0.8770
PDRB	0.000302	0.001107	0.272969	0.7863
PEND	-54.55547	177.4531	-0.307436	0.7601
KETPEND	1487.086	2578.941	0.576627	0.5675
PMA	-70.19507	279.2180	-0.251399	0.8028
PMDN	38.44674	32.75732	1.173684	0.2476

Based on the results of the heteroscedasticity test in the table, the probability value for each independent variable was obtained, namely the per capita GRDP (GRDP) variable 0. 8770; Education (PEND) 0.7863; Income Inequality (KETPEND) 0.5675; PMA 0.8028, and PMDN 0.2476. From these results, it can be seen that the independent variables have probability values > 0.05. Therefore, it can be concluded that there is no evidence of heteroscedasticity.

hypothesis testing

a. T-test

Table 6. T test

Variabel	**t-Statistic**	**Prob.**
C	0.041818	0.9669
PDRB PER KAPITA	-3.394029	0.0019
PEND	1.093527	0.2826
KETPEND	-0.636518	0.5291
PMA	-1.095895	0.2816
PMDN	5.097198	0.0000

Based on the t-test results presented in table, the t-table value is 2.02269, calculated at a significance level of $\alpha/2 = 0.025$ with degrees of freedom (n – k – 1), where n represents the number of observations and k the number of independent variables. The analysis is as follows:

1. Per Capita GDP (X1): The t-statistic is -3.394029, which exceeds the t-table value, and the p-value is 0.0019 < 0.05. This indicates that per capita GDP has a negative and significant effect on Poverty.
2. Education (X2): The t-statistic is 1.093527 < 2.02269, with a p-value of 0.2826 > 0.05, suggesting a positive but insignificant effect on Poverty.
3. Income Inequality (X3): The t-statistic is -0.636518 < 2.02269, and the p-value is 0.5291 > 0.05, indicating a negative and insignificant effect on Poverty.

4. Foreign Direct Investment (X4): The t-statistic is -1.095895 < 2.02269, with a p-value of 0.2816 > 0.05, meaning the effect on Poverty is negative but not significant.
5. Domestic Investment (X5): The t-statistic is 5.097198 > 2.02269, and the p-value is 0.0000 < 0.05, showing a positive and significant effect on Poverty.

b. F-test

Table 7. F test

F-statistic	1456.737
Prob(F-statistic)	0.000000

Based on the results of the F test in Table 6, it shows that the calculated F value is 1456.737 with a significance value of 0.000000. Meanwhile, the F table value (α=0.05) with df1 (k) = 5 and df2 (n-k) = 40, where k (number of variables) and n (number of observations). The table F-value is 2.45. From this calculation, the calculated F-value of 1456.737 is greater than the table F-value of 2.45. This means that, together (simultaneously), the variables of GDP per capita (X1), education (X2), income inequality (X3), foreign direct investment (X4), and domestic direct investment (X5) have a significant effect on Poverty in urban areas in East Java Province.

c. Coefficient of Determination R^2

Table 8. Coefficient of Determination R^2 test

R-squared	0.998366
Adjusted R-squared	0.997680

Referring to the table above, the coefficient of determination (R^2) is recorded at 0.998366, which is a value very close to 1. This signifies that the regression model possesses a strong explanatory power in capturing the variation of the dependent variable. In other words, the independent variables—namely GDP per capita, education, income inequality, foreign direct investment (FDI), and domestic direct investment (DDI)—collectively explain approximately 99% of the variation in the dependent variable. The remaining 1% is attributed to other factors not included within the scope of this research model. This demonstrates the model's high level of accuracy in explaining the observed data.

DISCUSSION

The Effect of Per Capita GRDP on Poverty in Urban Areas in East Java Province

The results reveal that per capita RGDP has a negative and statistically significant effect on Poverty in urban areas of East Java Province. This implies that an increase in per capita RGDP is associated with a reduction in Poverty levels. Such a relationship is consistent with economic theory, which posits that economic growth contributes to improved societal welfare by raising individual incomes. As a result, people have greater capacity to fulfill their essential needs, including access to food, housing, education, and healthcare. This finding

underscores the importance of promoting economic growth as a strategy for Poverty alleviation. It also supports Maslow's hierarchy of needs, where economic stability facilitates the fulfillment of fundamental human needs. Additionally, the finding is consistent with Ragnar Nurkse's vicious circle of Poverty theory, which states that low income limits investment in education and health, reduces productivity, and deepens Poverty. Increasing RGDP per capita can help break this cycle by expanding access to economic and social resources. This result is also supported by previous research, such as (Febriaty, 2020), which found a similar relationship in North Sumatra Province.

The Influence of Education on Poverty in Urban Areas in East Java Province

Based on the t-test results indicate that education, as measured by the average years of schooling, has a positive but statistically insignificant effect on Poverty in urban areas of East Java Province. This finding implies that an increase in the length of schooling has not yet led to a substantial reduction in Poverty levels. In other words, although educational attainment appears to be improving, its influence on Poverty alleviation remains limited within the context of this study.One possible reason is the mismatch between education and labor market needs, which limits the employment absorption of graduates. Additionally, while educational attainment may be rising, disparities remain in terms of quality, access, infrastructure, and teaching staff. This finding aligns with Ragnar Nurkse's vicious circle of Poverty theory, which explains how low income restricts access to education, reducing productivity and earnings. Thus, education alone may not break the cycle of Poverty unless accompanied by skill development and job opportunities. These results are supported by (Ridzky Giovanni, 2018), who found that in several provinces in Java, including East Java, formal education does not significantly impact Poverty because many graduates lack skills aligned with market demands. Therefore, increasing schooling years must be complemented by improvements in education quality and relevance to effectively reduce Poverty.

The Effect of Income Inequality on Poverty in Urban Areas in East Java Province

Income inequality shows a negative but statistically a statistically insignificant impact on Poverty rates in the urban regions of East Java Province. Although the relationship suggests that lower inequality may lead to reduced Poverty, the influence is not strong enough to be considered significant. This could be attributed to the possibility that income inequality does not have a direct influence on the number of individuals classified as poor. Furthermore, the diverse economic activities in East Java's cities—such as trade, services, and industry—allow individuals to earn income despite the presence of inequality.
This finding aligns with the study by (Hendy Pramana Putra, Muhammad Diaudin, 2022), which also found no significant effect of income inequality on Poverty in Blitar City. Therefore, although inequality remains a crucial development issue, it has not been proven to directly influence Poverty reduction in urban areas of East Java. These results contradict the hypothesis that income inequality has a significant impact on Poverty.

The Impact of Foreign Direct Investment on Poverty in Urban Areas in East Java Province

Foreign Direct Investment (FDI) shows a negative but statistically insignificant impact on Poverty levels in urban areas of East Java Province. Although the relationship suggests that increased FDI may help reduce Poverty, the effect is not strong enough to be considered significant. One key reason is the uneven distribution of investment across cities—some areas received no FDI at all during the observed period. Additionally, FDI often involves capital-intensive industries and advanced technology, which tend to create fewer job opportunities for local workers and have limited direct impact on low-income communities. This finding is consistent with research by (Febriaty & Nurwani, 2017), which also found a negative but insignificant influence of investment on Poverty in North Sumatra Province. It indicates that while FDI can stimulate economic growth, its potential to reduce Poverty is limited unless it is directed toward sectors that generate employment and support income growth for the poor. Therefore, the study does not support the hypothesis that foreign investment significantly affects Poverty in urban areas of East Java.

The Effect of Domestic Investment on Poverty in Urban Areas in East Java Province

Domestic Investment (PMDN) shows a significant influence on Poverty levels in urban areas of East Java Province. However, the positive direction of this relationship indicates that higher levels of domestic investment are actually associated with an increase in Poverty. This suggests that the investment has not effectively reached low-income communities. Instead, it tends to be concentrated in major cities and specific sectors that do not significantly absorb labor from poor populations or engage small and micro enterprises.

This finding aligns with a study by (Pratama et al., 2022), which also found that domestic investment had a positive and significant effect on Poverty in Banten Province. Despite the high investment value, without equitable distribution and active involvement of low-income communities, investment alone is insufficient to reduce poverty Therefore, any increase in domestic investment must be accompanied by strategies that ensure its benefits are widely distributed across all segments of society.

CONCLUSIONS AND RECOMMENDATIONS

1. RGDP per capita (X1) has a negative and significant effect on Poverty in urban areas of East Java Province. This indicates that higher RGDP per capita is associated with lower Poverty levels. This finding aligns with economic theory, which states that economic growth contributes to improved welfare and Poverty reduction.
2. Education (X2), measured by the Expected Years of Schooling (HLS), has a positive but not significant effect on urban Poverty. This suggests that longer schooling expectations have not yet produced a tangible impact on reducing Poverty. One possible reason is the mismatch between education and labor market demands, leading to limited employment opportunities for graduates.

3. Income inequality (X3) shows a negative but statistically insignificant effect on Poverty. Although the negative relationship suggests that lower inequality could reduce Poverty, the effect is not strong enough to be considered a key explanatory factor in this study. Unequal income distribution does not yet have a direct impact on the number of poor people.
4. Foreign Direct Investment (X4) also has an insignificant effect on Poverty in urban areas. Despite the negative relationship implying that increased FDI could reduce Poverty, the statistical effect remains weak. This is likely due to the uneven distribution of FDI across cities, with some areas receiving no foreign investment during the 2019–2023 period, and investments being concentrated in sectors and regions that do not directly benefit low-income communities.
5. Domestic Investment (X5) has a significant positive effect on Poverty, meaning that higher levels of domestic investment are associated with increased Poverty. This indicates that domestic investments have not effectively reached the poor. Most of these investments are concentrated in already developed urban centers and sectors that do not extensively employ low-income individuals or engage small and micro enterprises.

   This study reveals that not all variables directly reduce urban Poverty in East Java, highlighting the need for more targeted local policies. Inclusive economic growth must focus on fair distribution, not just increased output. Education policies should align with labor market needs through vocational and community-based training. Investment should prioritize labor-intensive sectors and MSMEs to benefit the poor. Future research should include variables like unemployment, inflation, and HDI for a more comprehensive understanding of Poverty.

ADVANCED RESEARCH

This study opens opportunities for further research to explore the dynamics of urban Poverty by incorporating additional variables such as unemployment, the Human Development Index (HDI), and access to public services. Future studies could also adopt spatial or geographical approaches to map interregional disparities more precisely. Moreover, utilizing longer time-series data and developing quantitative models using machine learning or forecasting techniques may enhance the accuracy of Poverty predictions. It is also recommended that future research include qualitative dimensions, such as public perceptions of well-being and accessibility to government aid programs, to enrich the analysis and support the formulation of more inclusive and context-sensitive policies.

ACKNOWLEDGMENT

The author extends sincere gratitude to the Central Statistics Agency (BPS) of East Java Province and the Investment and One-Stop Integrated Services Agency of East Java Province for providing valuable data essential to this research. Appreciation is also given to the academic advisor and all parties who offered guidance, support, and constructive input throughout the preparation of

this article. This study would not have been successfully completed without their contributions and assistance.

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