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Analysis of Poverty Determination in Madura 2010 - 2019

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A B S T R A C T

One of the largest's poverty percentage in East Java Province is on Madura insland. The average percentage of poverty in district on Madura Island is higher than the percentage of poverty in East Java Province. Based on this, it is known that the poverty rate in Madura is above East Java Province, reaching more than 20 percent. This study aims to determine the effect of the independent variables of economic growth, Unemployment Rate, Inequality of Income Distribution on Poverty Levels on Madura Island. In this case, the data used is panel data which is a combination of the time series, namely 2010 – 2019 and the latitude series of 4 districts in Madura. The data analysis method used in this research is panel data regression. The results of this study are the variable economic growth (X1) has a negative and significant effect on poverty in Madura Island. The Variable Unemployment Rate (X2) has a positive and insignificant effect on poverty in Madura Island. Income distribution inequality variable (X3) has a negative and significant effect on poverty in Madura Island

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INTRODUCTION

Poverty is one of the fundamental problems faced by developing countries, one of which is in Indonesia (Yuwono, 2018). Based on the World Bank's annual report (2018), extreme poverty reduction is mostly in the East Asia and Pacific region, especially China, Indonesia and India. The Southeast Asian region with a middle-income country orientation has poverty problems with high poverty rates reflected in several countries. According to BPS (2021) poverty is an inability from an economic, material and physical perspective to meet basic food and non-food needs as measured by expenditure. According to the World Bank poverty is a condition of individuals who have income below US $ 1.25 per day (UNSDSN, 2012) Indonesia is one of the countries with the highest poverty rates in Southeast Asia.

Indonesia's poverty rate reached 5.1% and was ranked the second highest after Laos which touched 17.3% at the end of December 2018. East Java Province was ranked first with the highest poverty rate reaching 11.09 percent and the number of poor people was 4.42 million people in 2019, even though East Java is an area with accelerated economic growth in Indonesia (Yunitasari and Firmansyah, 2019). For the period September 2018 – March 2019 the poverty rate in East Java decreased, except for September 2013 and March 2015. The increase in the poverty rate in September 2013 and March 2015 was, among other things, triggered by increases in the price of staple goods as a result of rising fuel prices. The development of poverty in East Java was triggered by the increasing poverty rate in several regions. Several areas in East Java are designated as underdeveloped areas. The determination of disadvantaged areas is carried out every 5 years. Two of the four underdeveloped regions in East Java Province originate from Madura Island, namely Bangkalan and Sampang Regencies.

Madura Island is a unitary area with the island of Java, which is located in East Java Province. Madura Island is divided into 4 districts consisting of Bangkalan, Sampang, Pamekasan and Sumenep Regencies. However, geographically Madura Island is located separately from Java Island which is bounded by the Madura Strait. This caused Madura Island to be isolated from industrialization and urban development. The high rate of urbanization and migration is the reason for the low labor force in Madura Island. The indigenous people of Madura Island prefer to look for work outside Madura Island, the only area around Java Island. The level of education on Madura Island is still relatively low because 40 percent of the population has only completed elementary school. This resulted in low ability and productivity in the workforce so that unemployment increased and became a contributing factor to poverty on Madura Island.

Madura Island has abundant natural resources. Based on these advantages, Madura Island can increase economic growth through its natural resources. Salt Island is the nickname for Madura Island. This is because the salt commodity is one of the leading sectors on Madura Island by contributing around 70 percent of the national salt consumption needs. Apart from the salt commodity, Madura Island also has other superior commodities, namely the best quality tobacco in the archipelago. Based on data from the Central Statistics Agency (BPS), the average poverty rate for districts in Madura Island is higher than the average poverty rate in East Java Province, which is 11.98 percent. Sampang Regency is a district on Madura Island which has an average poverty rate higher than East Java Province which reached 24.51 percent. In 2019, the poverty rate in Sampang Regency decreased by 20.71 percent when compared to 2012 which

reached 27.97 percent. Based on this, the poverty rate in Sampang Regency is the highest in Java. In line with Sampang Regency, Bangkalan Regency is in second place with an average poverty rate of 21.76. The poverty rate in Bangkalan Regency has decreased during the period from 2012 to 2019, which was originally 24.7 percent and then decreased in 2015 by 18.9 percent.

Pamekasan Regency has an average poverty rate of 16.8 percent, while the average poverty rate for Sumenep Regency is 20.41 percent. In 2012, the poverty rate in Sumenep Regency reached 21.96 percent and then decreased by 19.54 percent in 2019. Meanwhile, in 2012 in Pamekasan Regency the poverty rate reached 19.6 percent and decreased by 13.95 percent in 2019. Based on this, it is known that the poverty rate in Madura is above the province, reaching more than 20 percent. Kuncoro, (1997) tries to identify the causes of poverty from an economic perspective. Poverty arises because of the unequal pattern of resource ownership which results in an unequal distribution of income. Based on this I take economic growth with the Gross Regional Domestic Product indicator. Second, poverty arises due to differences in the quality of human resources. Based on this I took the Human Development Index and the Open Unemployment Rate.

The economic growth of a region can be approximated by data on the Gross Regional Domestic Product (GRDP) (Safitri, 2020). The GRDP value of districts in Madura as a whole tends to increase. However, the GRDP value in Bangkalan Regency has decreased at several points, namely in 2012 it was IDR 16,173,679.36 and in 2015 it was IDR 16,906,844.50. This also happened to the GRDP value of Pamekasan Regency which experienced a decline at several points, namely in 2015 amounting to Rp. 9,316,856.7. Another factor that affects the poverty rate is the Open Unemployment Rate. Most people who do not have permanent jobs or only part-time are always among the very poor groups of people (Arsyad, 1997). The unemployment rate in Madura has increased and decreased every year. In 2013 Bangkalan Regency again experienced a sizeable increase to 6.78 percent. In 2018 and 2019 it again increased to 5.48 percent. Likewise with the other three districts which experience fluctuations and tend to increase every year.

Income inequality is a condition in which the distribution of income received by the community is unequal. This is due to the uneven distribution of development outcomes or development disparities in several regions. Inequality in income distribution can be calculated using the gini ratio with a range of 0 to 1. This means that 0 indicates that the area has perfect equality, while 1 indicates that the area has perfect inequality (Todaro and Smith, 2006). The period from 2010 to 2019 shows the gini ratio fluctuating and tends to increase. The average gini ratio in Sampang Regency is 0.27, similar to Sumenep Regency which is still in a state of inequality. Bangkalan and Pamekasan Regencies have an average gini ratio of 0.30. This indicates that inequality in Madura Island is still in a condition that needs to be corrected.

Previous Studies

Previous studies in this study consisted of research by Rosalia Lukita Sari, et al in 2019 with the research title Determinan Tingkat Kemiskinan di Pulau Madura. The purpose of this study was to determine the effect of the Open Unemployment Rate, Human Development Index, GRDP and District Minimum Wage on the poverty rate on Madura Island in 2004-2015. The method used is Descriptive Quantitative Method Panel Data Regression Estimation Model Fixed Effect Models Approach with the

results of the Open Unemployment Rate (TPT) variable partially having a positive and significant effect on the poverty rate. The Human Development Index (IPM) and District Minimum Wage (UMK) variables have a negative and significant effect on the poverty rate. The Gross Regional Domestic Product (GRDP) variable has a negative and insignificant effect on the level of poverty. Simultaneously all the independent variables significantly influence the level of poverty on Madura Island. Furthermore, research by Dwi Bagus Mei Alfianto, et al with the research title Faktor-Faktor Yang Mempengaruhi Tingkat Kemiskinan di Provinsi Jawa Timur. The purpose of this study was to determine the effect of population, Human Development Index (IPM) and Gross Regional Domestic Product (GDP) on poverty levels in East Java Province in 2010-2015. The method used is Panel Data Regression with the results of research on population variables and the Human Development Index (IPM) having a significant negative effect on the poverty rate, while the Gross Regional Domestic Product (GDP) has a significant positive effect on the poverty rate in East Java Province in 2010- 2015. Furthermore, research by Achyarnis Lilik Andrietya, et al in 2020 with the research title Determinants of Poverty in Central Java Province 2013-2018. The purpose of this study was to examine the effect of HDI, GRDP, unemployment, investment and dummy (special and non-special areas) on poverty in Central Java. The method used is the Panel Data Regression Estimation Model with the Fixed Effect Models approach with the results of research on HDI, GRDP and investment variables having a negative and significant effect on poverty in Central Java Province. Meanwhile, the Unemployment and Dummy variables (special and non-special areas) have a negative and insignificant effect on poverty in Central Java Province. Simultaneously, all independent variables can show their effect on poverty. Unemployment and Dummy variables (special and non-special areas) have a negative and insignificant effect on poverty in Central Java Province. Simultaneously, all independent variables can show their effect on poverty.

Economic growth is an increase in per capita output in a country that can be measured using the Gross Regional Domestic Product (GRDP). GRDP has an influence on the level of poverty in an area by showing the economy and certain phenomena in a society, one of which is using factors of production to produce an output. If the GRDP level decreases, it will affect the decline in people's welfare so that the poverty rate will increase. conversely, if the level of GRDP increases, the economy will become more stable, marked by increased efficiency and productivity of resources so that the level of people's welfare will increase and poverty will decrease.

The eradication of poverty and the development of unequal distribution of income is one of the core problems of development, especially in developing countries. Through an in-depth discussion of the issues of inequality and poverty it can be used as a basis for analyzing more specific development issues such as population growth, unemployment, rural development, education, and so on. A very simple way to approach the problem of income distribution and poverty is to use a production possibilities framework (Putra, 2011). According to Todaro (2000) (in Putra, 2011), the effect of inequality in income distribution on poverty is influenced by an increase in population. Population growth tends to have a negative impact on the poor, especially the very poor. Most

poor families have a large number of family members so that the economic conditions of those living on the poverty line are getting worse along with worsening income inequality or welfare.

The bad effect caused by unemployment is the lack of people's income and causes a lack of the level of prosperity that has been achieved by the community. The reduced welfare of the community due to unemployment can increase the chances of people entering poverty because they have low income (Sukirno, 2004). According to the vicious cycle theory (nurkse) which states that poverty is caused by low productivity. It can be interpreted that unemployment is caused by the low productivity of a person. Because the unemployed do not have a permanent job so they cannot generate wages or salaries. To be able to meet daily needs, wages or salaries are needed. So that unemployment has a positive and significant relationship to the level of poverty. In other words, if the unemployment rate in an area increases, it can cause the poverty rate to increase.

METHODOLOGY

The type of research used in this research is explanatory research using secondary data obtained from the Central Bureau of Statistics (BPS). In this case the data used is panel data which is a combination of the time series, namely 2010 - 2019 and the latitude series of 4 districts in Madura. Madura Island consists of 4 districts namely Bangkalan, Sampang, Pamekasan and Sumenep Regencies. The data needed in this study are secondary data on poverty rates, Gross Regional Domestic Product based on Business Field at constant prices, Inequality in Income Distribution, Open Unemployment Rate on Madura Island which consists of Bangkalan, Sampang, Pamekasan, and Sumenep Regencies with the year of observation 2010 -2019. The data is fully sourced from the Central Bureau of Statistics.

The data analysis method used in this study is panel data regression. The following is the panel data regression equation in this study:

$$TK = \beta_0 + \beta_1 PDRB_{it} + \beta 2\ IG_{it} + \beta 3\ TPT_{it} + \varepsilon_{it}$$

Where: TK = Total Poor Population on Madura Island (percentage unit); i = Regency on Maudura Island; t = Time or Year (2010-2019); GRDP = Total Gross Regional Domestic Product according to Regency Constant Prices on Madura Island (percent unit); GI = Total District Gini Index on Madura Island (ratio); TPT = total unemployed population aged 15 years and over by district on Madura Island (percentage unit); β_0 = Constant; β1,2,3 = Multiple regression coefficients, and εit = Interfering Variable (Error term)

The common effect method is an approach that assumes that the intercept and slope have a good relationship between time and objects. The confounding variable (error term) is an explanation for the difference in intercept and slope (Sriyana, 2014). The fixed effect approach method is an approach that assumes that the slope will remain large from time to time. In running the fixed effect estimation model, a dummy is used which follows each assumption criteria. In the process, Least Square Dummy Variables (LSDV) can be used to run regression in the fixed effect estimation model. (Sriyana, 2014). The random effect model is a model that assumes that the confounding variable (error term) is the cause of the difference in intercepts and constants caused by random differences between units and time. In the process, the Error Component Model (ECM) can be used to run regression in the random effect estimation model (Sriyana, 2014).

Selection of the estimation model aims to be able to find the right model

through various tests. Here are some tests that can be done. Chow test is a test that aims to determine the right model in estimating panel data. The choice of model tested is the common effect and fixed effect models. Selection of the common effect model, if the probability value of the F statistic is more than the value of α 0.05%, conversely if the probability value of the F statistic is less than α of 0.05%.

The Hausman test can be used as a statistical test in choosing whether the fixed effect or random effect model is very appropriate to use. Choosing a random effect model, if the chi-square value is more than the α value of 0.05%, if the chi-square value is less than the α value of 0.05%, otherwise if the hausman statistic value (W-count value) < the critical value of chi- square or p value > compared to α, the random effect model is appropriate (Sriyana, 2014). The LM (Lagrange Multiplier) test is a test to determine whether the model used is common effect or random effect. Choosing the common effect model, if the Breusch-Pagan value is more than the α value of 0.05%, if the Breusch-Pagan value is more than the α value of 0.05%. The LM test is based on the Breusch-Pagan probability, if the Breusch-Pagan probability value is less than the alpha value then Ho is rejected, which means that the correct estimate for panel data regression is a random effect model and vice versa.

The classical assumption test provides certainty that the regression equation obtained has accuracy in estimation, is not biased and is consistent. The multicollinearity test aims to test whether the regression model has a correlation between the independent variables or not. Supposedly, a good regression model does not have a correlation between the independent variables. If there is a high correlation between the independent variables, then the relationship between the independent variables and the dependent variable is disrupted. The statistical tool that is often used to test for multicollinearity disorders is the Pearson correlation between the independent variables, or by looking at the eigenvalues and condition index (CI). The data is characterized by multicollinearity, if the correlation value between the two independent variables is > α 0.8, conversely if the correlation value between the two independent variables is < α 0.8

The definition of heteroscedasticity is a condition where the distribution of data is not the same or the variance is not the same so that the significance test is invalid. The purpose of the heteroscedasticity test is to find out whether in a regression model there is an inequality of residual variance (confounding error) from one observation to another (Gujarati 2012). Heteroscedasticity detection can be done using the scatter plot method by plotting the ZPRED value (predicted value) with SRESID (residual value). A good model is obtained if there is no specific pattern on the graph, such as gathering in the middle, narrowing then widening or conversely widening then narrowing. This heteroscedasticity test is based on the Glesjer test if the probability value is less than the alpha value then H1 is rejected and vice versa. Several alternative solutions if the model violates the assumption of heteroscedasticity is to transform into logarithmic form, which can only be done if all data is positive. Or it can also be done by dividing all variables by variables that experience heteroscedasticity.

RESULT AND DISCUSSION

In estimating the panel data regression model, it can be done using several approaches, namely first, Common Effect Model (CEM), second, Fixed Effect Model (FEM), and third, Random Effect Model (REM). The following is the result of regression using the Common Effect Model, Fixed Effect Model and Random

Effect Model approaches.

Table 1.
Panel Model Data Regression Results Common Effects

	coefficient	Std. Error	t-Statistics	Prob.
C	55.13175	30.21184	1.824839	0.0763
LOG(GRDP)	-0.914552	1.806351	-0.506298	0.6157
TPT	0.949633	0.386790	2.455165	0.0190
IG	-74.73857	18.33954	-4.075269	0.0002

Table 2.
Panel Data Regression Results Fixed Effect Model

	coefficient	Std. Error	t-Statistics	Prob.
C	338.7233	38.54946	8.786722	0.0000
LOG(GRDP)	-18.81292	2.359353	-7.973764	0.0000
TPT	0.273549	0.361871	0.755929	0.4551
IG	-27.58611	9.097908	-3.032138	0.0047

Table 3.
Figure 4.1Panel Data Regression Results Random Effects

	coefficient	Std. Error	t-Statistics	Prob.
C	55.13175	13.49291	4.085980	0.0002
LOG(GRDP)	-0.914552	0.806734	-1.133647	0.2644
TPT	0.949633	0.172744	5.497337	0.0000
IG	-74.73857	8.190622	-9.124895	0.0000

In conducting panel data regression, several regression tests are needed to determine which model is most suitable for use. Some of these tests include the Chow test, Hausman test and Langrange Multiplier (LM) test. The following are the test stages used in this study.

The first step in testing the regression model is to do the Chow test. The Chow test aims to determine the right model to use, namely between the Fixed Effect Model or the Common Effect Model in the data regression process. Following are the results of the Chow test in this study.

Table 4.
Chow Test Results

Effect Test	Statistics	df	Prob.
Cross-section F	49.162308	(3,33)	0.0000
Chi-square cross-sections	67.966031	3	0.0000

Based on Figure 4.7 above, the results show that the Chi-square cross-section probability value is smaller than the alpha α = 0.05, which is 0.0000. In a sense, H0 is rejected and the appropriate model to use is the Fixed Effect Model. The next step in the process of testing the regression model in research is the Hausman Test.

Table 5.
Hausman Test Results

Test Summary	Chi-Sq Statistics	Chi-Sq. df	Prob.
Random cross-sections	147.486925	3	0.0000

Based on Figure 4.9 above, the results show that the random cross section probability value is smaller than the alpha value α = 0.05, which is 0.0000. In a sense, H0 is rejected and the appropriate model to use is the Fixed Effect Model. The model testing step stops in the Hausman Test because the selected model is the Fixed Effect Model, but if the selected in the Hausman Test is the Random Effect Model, then it is necessary to proceed to the next step. namely Langrange Multiplier Test (LM).

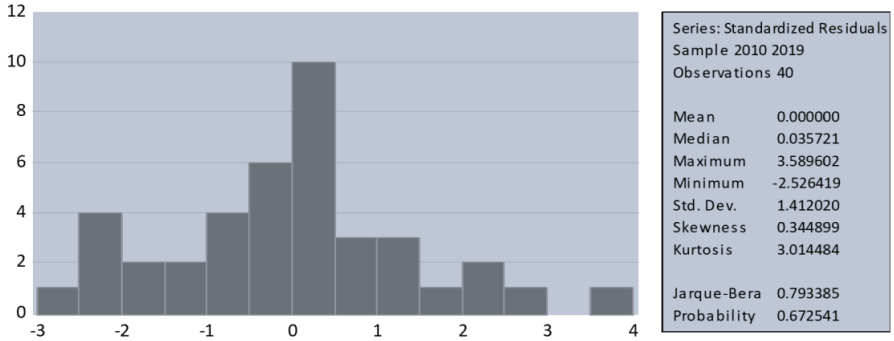


Figure 1. Normality Test Results

Based on Figure 4.9, it can be seen that the probability value of the Jarque-Bera (JB) normality test is 0.672541 > 0.05 (alpha value). Therefore, it can be concluded that the data in this study were normally distributed.

The multicollinearity test aims to determine whether or not there is a correlation between the independent variables in the study. The absence of multicollinearity problems in the data indicates that the data and model to be regressed are good to use. The analysis is if the P value > 0.8 then there is a multicollinearity problem in the data. Conversely, if the P value <0.8, there is no multicollinearity problem in the data. The following are the results of the multicollinearity test in this study:

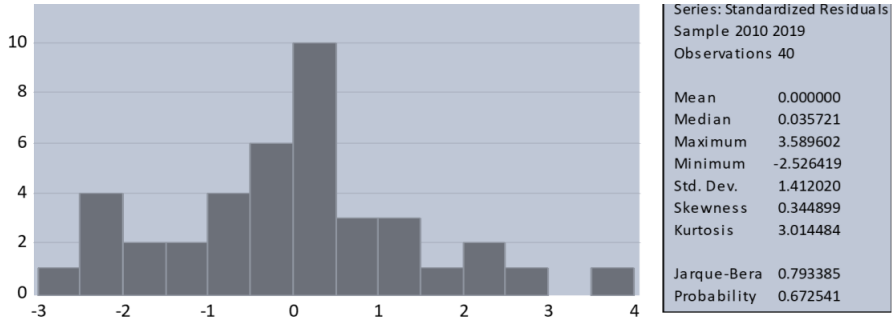
Table 6.
Multicollinearity Test Results

	LOG(GRDP)	TPT	IG
LOG(GRDP)	1.000000	0.017354	-0.008964
TPT	0.017354	1.000000	0.399338
IG	-0.008964	0.399338	1.000000

Based on table 4.7, it can be seen that the correlation value (P0 value between the independent variables, namely GRDP and TPT, is 0.017354 <0.8. So is the case with the correlation of the independent variables GRDP and IG, which is -0.008964 <0.8 and the correlation of the independent variables TPT and GI are 0.399338 < 0.8. Therefore, it can be concluded that the data in this study are not affected by multicollinearity problems.

Heteroscedasticity test aims to determine whether there is residual variance in the regression model to be studied. In this study, the heteroscedasticity test to be used is the Glesjer test. The hypothesis on the Glesjer test is that if there is a problem of heteroscedasticity, the significance value is <0.05. Conversely, if there is no heteroscedasticity problem, the significance value is > 0.05.

Table 7.
Heteroscedasticity Test Results



Based on Figure 4.10 it can be seen that the probability values of the independent variables GRDP, TPT and IG are > 0.05. GRDP independent variable probability value. that is equal to 0.2107 > 0.05. Meanwhile, the probability value of the independent variable TPT is 0.6990 > 0.05, and the probability value of the IG independent variable is 0.8382 > 0.05. Therefore, it can be concluded that the data in this study did not involve heteroscedasticity.

Based on Kuznets theory, growth and poverty are closely related, because poverty tends to increase early in the development process and gradually decline later. Based on the table of panel data regression test results, the Fixed Effect Model estimates. The coefficient value of the independent variable GRDP is -18.81292 and the probability is 0.0000 <0.05, which means the data is significant and accepts H0. Based on this, it can be concluded that the GRDP variable has a negative and partially significant effect on the poverty rate on Madura Island.

Based on the results of the panel data regression test, the results of this study are in line with Kuznett's theory which explains that there is a very close relationship between economic growth and poverty. Likewise, in line with research by Ervin Nora Susanti in 2019 which found that the GRDP variable partially has a negative and significant coefficient on poverty in the Riau Islands. This is in line with what happened in the field, considering that the phenomenon of increasing GRDP on Madura Island occurred as a result of an increase in population in the same period as the increase in GRDP. In addition, the local government on Madura Island is running a program to optimize the agricultural sector with the aim of increasing the added value of GRDP and alleviating poverty. The impact of the construction of the Suramadu

Bridge and the south Madura route is one of the reasons for rapid economic growth.

On the other hand, GRDP only calculates all the added value produced in the area regardless of whether the added value is generated by the people of the area or not. Based on this, local institutions and governments can distribute the benefits of economic growth in the employment sector so that the poor can work and reduce income inequality in society. In line with the theory of the trickle-down effect which explains that increasing people's welfare and reducing poverty can be overcome by creating various economic opportunities and equitable economic growth.

Based on the table of panel data regression test results, the Fixed Effect Model estimates. The coefficient value of the independent variable TPT is 0.273549 and the probability is 0.4551 > 0.05, namely the data is not significant and rejects H0. Based on this, it can be concluded that the TPT variable has no positive and partially significant effect on the level of poverty on Madura Island. Based on the results of the panel data regression test, the results of this study are consistent with research by Moch. Aldino Putra G. who got the result that the TPT variable did not have a significant effect on poverty in Central Java Province. The results of this study indicate that the rise and fall of the unemployment rate has no significant effect on the percentage of poverty on Madura Island. These results indicate that not all unemployed people are classified as poor. It could be that one of the unemployed person's family members has a high enough income so that he is still able to meet the unemployed person's basic needs. Or maybe people who have jobs actually earn less to meet their basic needs so they are included in the poor category.

Based on the results of data regression processing, it can be explained that fluctuations in the unemployment rate are not affected by the poverty rate on Madura Island. This means that a group of people who are unemployed on Madura Island are not necessarily one of the poor, because many factors can cause someone to be unemployed, one of which is coming from families with high incomes and fresh graduates. The phenomenon of the Pre-Employment Card can be one of the reasons that TPT has no effect on poverty. In a sense, the higher unemployment will not affect the level of poverty on Madura Island. The Pre-Employment Card Program in East Java has increased every year, namely 667.9 thousand people. East Java is the second highest province with the most recipients of Pre-Employment Cards. The Pre-Employment Card provides a solution for the unemployed to gain expertise and training aimed at forming work-ready individuals.

Based on Kuznet's theory which discusses income distribution, it explains that there is a correlation between the percentage of income and income recipients. Kuznet also believes that income distribution will increase in line with increased economic growth which will have an impact on increasing welfare and reducing poverty. Based on the table of panel data regression test results, the Fixed Effect Model estimates. The coefficient value of

the independent variable IG is -27.58611 and the probability is 0.0047 <0.05, which means the data is significant and accepts H0. Based on this, it can be concluded that the GI variable has a negative and partially significant effect on the poverty rate on Madura Island.

Based on the results of the panel data regression test, the results of this study are in line with Kuznet's theory which explains that there is a very close relationship between income distribution and poverty levels. Where, the relationship between these variables is inversely proportional. In a sense, if the distribution of income increases, poverty will decrease. Likewise with research conducted by Murbanto Sinaga (2020) which explains that GI has a negative and significant influence on the level of poverty on Madura Island.
Based on the results of the F test using the Fixed Effect Model in Eviews 10. The GRDP, HDI and TPT variables have an F-statistic value of 69.07315 with a probability value of 0.0000 which is significant at an error rate of 5%. This means rejecting H0 and having to accept H1, so it can be concluded that the GRDP, HDI and TPT variables simultaneously have a significant effect on poverty in districts on Madura Island. So the results of this study show positive and significant with a confidence level of 0.906758. This means that the level of confidence in this study was 90.68% and the remaining 9.32% was influenced by other factors not included in this research model. Based on the results of the F test, the F-statistic value of the GRDP, TPT and IG variables is 39.28566 and the probability value (F-statistic) is 0.0000 <0.005 Based on this, it can be concluded that the independent variables of GRDP, TPT and IG are simultaneously has a significant influence on the level of poverty in Madura Island. The reduction in poverty in Sampang Regency in 2019, which amounted to 20.71 percent, is one of the reasons for the decrease in inequality on Madura Island. The existence of the District Community Empowerment Program (PNPM Mandiri) in Sampang Regency can be the reason for alleviating inequality and increasing the Gini index in Sampang Regency and Madura Island.

CONCLUSION

Based on the results of data analysis and discussion that have been presented in the previous chapter, the following is the conclusion generated in this study, namely the variable Economic Growth (X1) has a negative and significant effect on the poverty rate on Madura Island. The Variable Open Unemployment Rate (X2) has no positive and insignificant effect on the poverty rate on Madura Island. The Variable Inequality of Income Distribution (X3) has a negative and significant effect on the level of poverty on Madura Island. Based on the results of the research hypothesis and discussion that has been presented, the following are suggestions that can be used as a reference for the government as a step towards alleviating poverty on Madura Island.

The government is expected to increase the distribution of the benefits of economic growth in the employment sector so that it can increase the value and output of society. If economic growth increases, the per capita income of the people will also increase so that poverty will also decrease. The government can divide spending items to improve the quality of the workforce, such as subsidies in the form of training, scholarships and business assistance. The government can also expand employment opportunities to make it easier for job seekers to earn income and reduce unemployment. If jobs are available, unemployed people can

work and earn income which can impact on reducing poverty. The government needs to pay attention to the distribution of development in several remote areas, so that development will be evenly distributed between the center and remote areas. This will have an impact on the level of poverty which will decrease as a result of increased output and income of the community.

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