

## The Influence of Unemployment, Health, Education and Per Capita Income on the Number of Poor People in Bali Province

Dhisti Wafiq Fahira Hany<sup>a\*</sup>, Hendra Kusuma<sup>b</sup>

<sup>ab</sup>Development Economics, Faculty of Economics and Business, University of Muhammadiyah Malang

\*Corresponding author: [dhistiwfq@gmail.com](mailto:dhistiwfq@gmail.com)

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### Abstract

*This study aims to determine the effect of unemployment, health, education, and per capita income on the number of poor people in Bali Province in 2018-2022. This study uses secondary data sourced from the Central Bureau of Statistics of Bali Province. The data analysis technique used is panel data with the Common Effect Model approach. Based on the results of data analysis, it shows that unemployment, health, elementary school education, high school education, college education and per capita income have a significant effect on the number of poor people in Bali Province, while junior high school education has no significant effect on the number of poor people in Bali Province.*

## INTRODUCTION

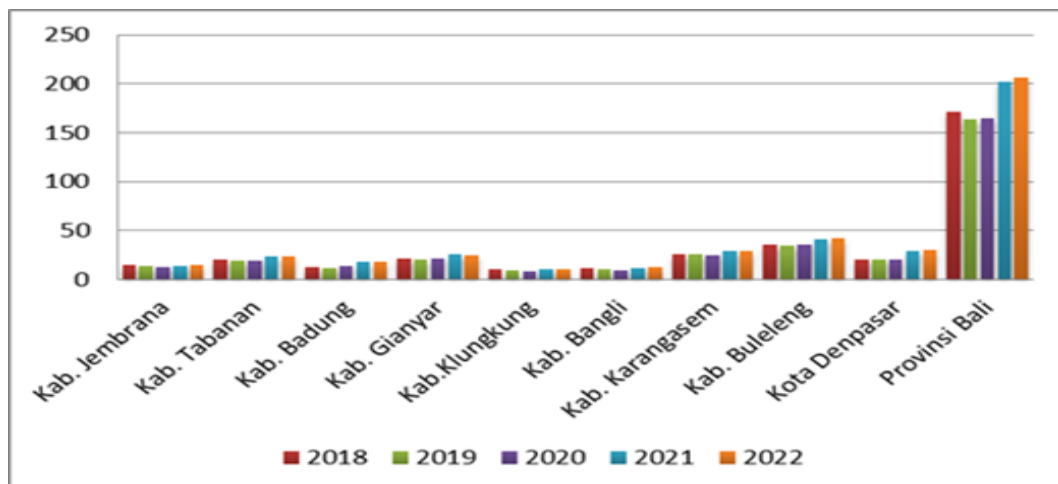
Poverty is problem social problem faced by every country, especially developing countries like Indonesia. Many impacts negative are caused by poverty besides the emergence problem social, poverty alone can also influence the development economy of a country. In Indonesia the problem of poverty Enough complicated because of the wide area, diverse social culture society and different poverty in every region. The problem of poverty is what has caused millions of children who do not go through quality education, difficulties in financial health, and increasingly increasing amount of unemployment caused by lack of fieldwork, lack of attention government especially in poor and underprivileged communities guarantees social so that cause millions underprivileged society in fulfil need clothing, food and shelter.

The problem is poverty in Indonesia one of the populated areas poor Still Enough tall is Bali Province. Bali Province is one of the regions with rapid economic growth. However, in the midst of this, the number of poor people is still very high in several regencies/cities. The problem of poverty is still a major issue that must receive more attention. In the current situation, the level of poverty is not only viewed from the low quality of the economy but has been viewed from different angles and depends on the perspective used. One of the issues that arises is the high level of poverty that still exists in several areas in Bali. Bali is very dependent on the tourism sector, so changes in the number of tourist visits directly affect the local economy, unemployment rates, and poverty. Because tourism is the main pillar of

Bali's economy, its impact on various socio-economic aspects such as unemployment, health, education, and per capita income is very large.

The COVID-19 pandemic has had a major impact on Bali's economy, especially given the province's reliance on tourism. Travel restrictions and closures of tourist attractions have led to a sharp decline in the number of tourists, which has directly impacted the income of people who depend on this industry. This has led to many job losses and reduced incomes, which have increased poverty rates. During the pandemic, many small and medium enterprises (SMEs) have struggled to survive due to reduced demand and disruptions in supply chains. This has resulted in many businesses closing and jobs being lost, which in turn has increased poverty rates. Inflation and rising prices of necessities have also put additional pressure on low-income households. The inability to meet basic needs due to these price increases has led to an increase in poverty rates.

**Figure 1. Number of Poor Population in Regency/City in Bali Province 2018-2022 (thousand people)**



Based on Figure 1, the districts/cities with the highest number of poor people in Bali Province are in the Regency Buleleng in 2022 which experienced a very high increase amounting to 41.68 thousand souls and Karangasem Regency in 2022 amounted to 29.45 thousand souls. The number of poor people from 2018 to 2022 experienced fluctuations, which is where they experienced a bad impact on the economy. A good economy is when the poverty rate decreases from year to year. The government has made various efforts to reduce poverty rates by fulfilling basic needs and improving the socio-economic welfare of the community. To overcome the problem of poverty, the government needs to know and understand what factors influence poverty, so that the steps in taking the right policies can solve the problem.

In previous research conducted by (Giovanni, 2018) in his research entitled "Analysis of the Influence of PDRB, Unemployment and Education on Poverty Levels in Java Island in 2009 - 2016". Data analysis was carried out using multiple linear regression analysis techniques. Based on the results of the data analysis, show that unemployment and education did not affect poverty in the provinces of West Java, Central Java, East Java, and DIY in 2009-2016, while PDRB affected poverty in the

province. (Suryandari, 2017) conducted a study entitled "The Influence of Economic Growth, Education and Health on Poverty Levels in the Special Region of Yogyakarta Province in 2004-2014". This study uses secondary data and data analysis is carried out using a fix model analysis. The results of the study show that the variables The results of the study show that economic growth has a negative and significant effect on the poverty rate in the Special Region of Yogyakarta Province, education has no effect on the poverty rate in the Special Region of Yogyakarta Province and health has a negative and significant effect on the poverty rate in the Special Region of Yogyakarta Province in 2004-2014.

The novelty in this research focuses on poverty where the independent variable explains education according to the level of education which includes elementary school education, junior high school education, high school education and college education. From the description above, an idea is needed that can help with this as a background for research entitled "The Effect of Unemployment, Health, Education and Per Capita Income on the Number of Poor People in Bali Province in 2018-2022"

The purpose of this study is to determine the effect of Unemployment, Health, Elementary School Education, Middle School Education, High School Education, College Education and Per Capita Income on the Number of Poor People in Bali Province in 2018-2022.

## **RESEARCH METHODS**

### **Population and Research Sample**

Selected population in study This is the poor Population, Unemployment, Health, Primary School Education, Schools Intermediate First, School Upper Middle School, College and Income Per capita in Bali Province. In the research sample, he used panel data with a range time from 2018-2022 in other words the number his observations is 45. Data obtained from the Central Statistics Agency.

### **Data collection technique**

The method used for data collection is purposive sampling. To better understand the topic being studied, the research was conducted by conducting a literature study and obtaining data from books, journals, websites, and other sources that are used as references or research guides.

### **Data Analysis Techniques**

In this study, a panel data regression model was used. Panel data is data obtained by combining *cross-section* and *time series*. Data from 9 districts in Bali Province were included in the study *cross-section*, while the data from 2018 to 2022 in a study is *time series* data. The data analysis method with panel data is the formula that is :

$$Y = \alpha + \beta_1 X_1 + \beta_2 X_2 + \beta_3 X_3 + \beta_4 X_4 + e_i \dots\dots\dots(1)$$

Y = Amount Poor Population: a = Constant;  $\beta_1, \beta_2, \beta_3, \beta_4$  = Coefficient Regression;  $X_1$  = Unemployment;  $X_2$  = Health;  $X_3$  = Education ;  $X_4$  = Income Per capita ; e= Variable Disturber (Error)

## **Panel Data Regression Model Estimation**

There are three types of approach panel data estimation, namely: *Common Effect Model* (CEM), *Fixed Effect Model* (FEM) and *Random Effect Model* (REM).

### ***Common Effect Model/ Pooled Least Square***

Estimating panel data with the OLS method. PLS approach in simple terms pooled all time series data and cross sections. Approach This No notice dimensions individual or time. In this model, there is the assumption that intercept And coefficient regression its value still For every object study And time.

### ***Fixed Effect Model***

Approach *fixed effect* take into account possibility that the researcher faces problem omitted -variables, which may bring changes in the time series or cross-section intercept. *Fixed effects* models add dummy variables to allow for changes in this intercept.

### ***Random Effect Model***

Approach *random effect* repair least square process efficiency by taking into account errors from cross-section and time series. *The random effect model* is a variation from generalized least squares (GLS) estimation.

## **Assumption Test Classic**

The regression model is evaluated using the classical assumption test to check whether the model indicates a normal distribution between the independent and dependent variables. A good regression model will indicate a normal or near-normal distribution.

### **Normality Test**

Normality test aiming For test normality in the regression model, the variables dependent and variable independent have a normal distribution or not. The best regression model is distributed normally or near normal. In using Eviews software normality can known by looking at the probability of JB. If the probability of  $JB > 0.05$  then the data is normally distributed while if the probability of  $JB < 0.05$  then the data is distributed abnormally.

### **Multicollinearity Test**

The Multicollinearity Test aims To test what is the regression model finds the existence of a correlation between variables free or independent. A good regression model should Correlate variables independently. If the correlation coefficient between independent variables is more than 10, it can be concluded that the model has a multicollinearity problem. Conversely, if the correlation coefficient is less than 10, then the model is free from multicollinearity.

### **Autocorrelation Test**

The autocorrelation test was used to know are the confounding errors of period  $t$  and the confounding errors of period  $t-1$  (previous) correlated? in the linear regression model. A good regression model No have autocorrelation. To know its validity two tests are used autocorrelation namely the Durbin-Watson test and the Breusch-Godfrey test. This study uses the Breusch-Godfrey method states that

autocorrelation does not happen If the mark probability more greater than or equal to  $\alpha = 5\%$  and autocorrelation happens If the mark probability is not enough of or equal to  $\alpha = 5\%$ .

### Heteroscedasticity Test

The heteroscedasticity test aims to evaluate the contents of the model. There is no equality of variance between the remainder of one observation and the remainder of another observation in the regression. The residual of an observation is said to be homoscedastic if its variance remains constant, and heteroscedastic if it varies. If heteroscedasticity or homoscedasticity does not exist for a long time in the regression model, then it is considered desirable. This study was tested by examining the scatterplot graph. However, in this study, the Glejser Test is used to find out whether there is a heteroscedasticity problem or not.

### Hypothesis Testing

#### Coefficient Test Determination ( $R^2$ )

The coefficient of determination is a value to measure the independent variable against the rise and fall of the dependent variable. The coefficient of determination is usually symbolized by  $r^2$  and is also expressed in percentage. In other words, the Y variable is explained by the X variable by  $r^2\%$  and the rest is explained by other variables. The remaining Y variables are caused by other factors and can also influence them.

#### Simultaneous Significance Test (F Statistic Test)

F statistical test is used To know whether all variables independently entered in the model influence away together or simultaneously to variable depende. Basis for making decisions that are based on value probability. If the probability  $< 0.05$  then can be concluded that overall variable free influences a way together to variable bound.

#### Statistical T-test (Partial Test)

The t-statistic test is conducted to determine how far the independent variable influences the dependent variable by assuming the other independent variables are constant. In this case, decision-making is based on the probability value, namely if the probability value  $< 0.05$  then the independent variable significantly influences the dependent variable. Conversely, if the probability value  $> 0.05$  then the independent variable has no significant effect on the dependent variable.

## RESULTS

### Panel Data Regression Model

**Table 1. Chow Test**

Effect Test	Statistics	df	Prob.
Cross Section F	36.366786 108.03689	(8.29)	0.0000
Cross-section Chi-square	0	8	0.0000

Test results show a *chi-square cross-section* probability of  $0.0000 < 0.05$  which means in study This is the research model that will be used is a research model *fixed effect*.

**Table 2. Hausman test**

Test Summary	Chi- Sq. Statistic	Chi- Sq. df	Prob
Cross section random	37.800545	7	0.3160

Based on the table the Hausman test results use evIEWS 10 obtained results mark probability *random cross-section* of 0.3160 which means smaller from level significance  $\alpha = 5\%$  ( $0.0600 > 0.05$ ) then  $H_0$  rejected. So proper panel data model estimation namely the *random effect* model.

**Table 3. Lagrange Multiplier Test**

Null (no rand. effect) Alternative	Cross section One-sided	Period One-sided	Both
Breusch Pagan	11.23110 (0.0800)	0.007896 (0.9292)	11.23900 (0.0008)
Honda	3.351284 (0.0004)	-0.088862 (0.5354)	2.306881 (0.0105)
King Wu	3.351284 (0.0004)	-0.088862 (0.5354)	1.862309 (0.0313)
GYM	--	--	11.23110

Based on the table the Lagrange multiplier test results using EvIEWS 10 obtained results mark probability *random cross-section* of 0.0002 which means smaller from level significance  $\alpha = 5\%$  ( $0.0800 > 0.05$ ) than  $H_0$  rejected. So that proper panel data model estimation namely the *Common effect* model.

**Table 4. Regression Results *Common Effect Model***

Variable	Coefficient	t-Statistic	Prob.
C	-15.25983	-3.159026	0.0031
UNEMPLOYMENT	3.137286	5.534562	0.0000
UGH	0.304806	4.068475	0.0002
SD	-0.038559	-3.084725	0.0038
JUNIOR HIGH SCHOOL	-0.011916	-0.495719	0.6230
SENIOR HIGH SCHOOL	-0.063543	-4.484712	0.0001
COLLEGE	-0.087797	-3.414449	0.0016
INCOME PER CAPITA	-1.038903	-2.099771	0.0426
<b>Prob. (F-Stat)</b>	0.000000		
<b>Adj. R-Square</b>	0.598161		

Based on Table 4, the following conclusions are drawn:

- a. The constant value at -15.25983 indicates that the variables Unemployment, Health, Elementary School Education, Middle School, High School, College and Per Capita Income are considered to have no change or have a constant value, so the value of the Y variable has a value of 15.25983.
- b. Coefficient regression Variable X1 (Unemployment) is 3.137286 which means every increase in X1 will influence an increase as big as 3.137286, with others having a mark still.



- c. Coefficient regression Variable X2 (Health) is 0.304806 which means every X2 increase will influence an increase of 0.304806, with the others still having marks.
- d. Coefficient regression Variable X3 (Primary School Education) is -0.038559 which means that every 1 per cent increase X 3 will experience a decline amount poor population of 0.038559.
- e. The regression coefficient of variable X4 (Junior High School) is -0.011916, which means that every 1 per cent increase in X4 will experience a decrease in the number of poor people by -0.011916.
- f. The regression coefficient of variable X5 (Senior High School) is -0.063543, which means that every 1 per cent increase in X5 will result in a decrease in the number of poor people by 0.063543.
- g. The regression coefficient of variable X6 (Higher Education) is -0.087797, which means that every 1 per cent increase in X6 will experience a decrease in the number of poor people by 0.087797.
- h. The regression coefficient of variable X7 (Per Capita Income) is -1.038903, which means that every 1 per cent increase in X7 will result in a decrease in the number of poor people by 1.038903.

**Table 5. Regression Results *Fixed Effect Model***

Variable	Coefficient	t-Statistic	Prob.
C	-3.383346	-0.625809	0.5363
UNEMPLOYMENT	5.932292	2.147821	0.0402
UGH	0.088162	1.131743	0.2670
SD	-0.011394	-2.301506	0.0287
JUNIOR HIGH SCHOOL	-0.001213	-0.106259	0.9161
SENIOR HIGH SCHOOL	-1.769916	-0.002346	0.9981
COLLEGE	0.020526	1.049376	0.3027
INCOME PER CAPITA	-1.142048	-0.290743	0.7733

**Table 6. Regression Results *Random Effect Model***

Variable	Coefficient	t-Statistic	Prob.
C	-3.245431	-0.882538	0.3832
UNEMPLOYMENT	1.103875	4.361988	0.0001
UGH	0.097327	1.765941	0.0857
SD	-0.013175	-2.696240	0.0105
JUNIOR HIGH SCHOOL	0.004224	0.401660	0.6902
SENIOR HIGH SCHOOL	-0.015780	-2.327864	0.0255
COLLEGE	-0.012735	-0.773247	0.4443
INCOME PER CAPITA	-4.296867	-1.368657	0.1794

**Table 7. Best Test Panel Data Regression Results *Common Effect Model***

Variable	Coefficient	t-Statistic	Prob.
C	-15.25983	-3.159026	0.0031
UNEMPLOYMENT	3.137286	5.534562	0.0000
UGH	0.304806	4.068475	0.0002
SD	-0.038559	-3.084725	0.0038
JUNIOR HIGH SCHOOL	-0.011916	-0.495719	0.6230
SENIOR HIGH SCHOOL	-0.063543	-4.484712	0.0001

COLLEGE	-0.087797	-3.414449	0.0016
INCOME PER CAPITA	-1.038903	-2.099771	0.0426

The best model results in the most appropriate panel data regression used which is the *Common Effect Model* because in this model the is probability smaller than 0.05. The study aims to ensure the impact amount unemployment, health, education school basic, education school intermediate First, education school intermediate above, education college height and income per capita in Bali Province in 2018-2022.

### Assumption Test Classic

#### Normality Test

**Table 8. Normality Test**

<b>Jarque -Bera</b>	0.806083
<b>Probability</b>	0.668284

Based on the normality test above shows that Jarque-Bera's probability value is 0.668284, the value is  $> 0.05$  so that can be decided For reject H1 and accept H0, then can be concluded that the data is normally distributed.

#### Multicollinearity Test

**Table 9. Variance Inflation Factor**

Variable	Centred VIF
C	NA
UNEMPLOYMENT	2.109784
UGH	9.552400
SD	4.041488
JUNIOR HIGH SCHOOL	1.387903
SENIOR HIGH SCHOOL	6.738820
COLLEGE	5.126132
INCOME PER CAPITA	4.501753

The table above shows that every variable free has a Centered VIF number  $< 10$ , so Can it be said that there is no multicollinearity?

#### Autocorrelation Test

**Table 10. Breush-Goedfrey LM Test**

Serial Correlation LM Test : Breusch_Godfrey	
<b>Pro b. Chi-Square (2)</b>	0.6338

Based on the results the above test obtained that The value of the Chi-Square Prob. value of the Breusch - Godfrey autocorrelation test is 0.6338. This value is bigger than 0.05. So they decide to accept H0 or conclude that there is no existence of autocorrelation.



## Heteroscedasticity Test

**Table 8. Glejser test**

<b>Heteroscedasticity Test: Glacier</b>	
<b>Pro b. Chi-Square (7)</b>	0.8904

Based on the Glejser test, the Chi-square probability value is 0.8904, which is greater than 0.05. So it can be concluded that there is no heteroscedasticity problem.

## Hypothesis Testing

### Simultaneous F Test

Based on the results analysis in Table 5, it was found Prob(F-statistic) value = 0.000000. This value is smaller than 0.05, so they decided To reject H<sub>0</sub>. Therefore, it can be concluded that at least one of the variables of unemployment, health, education and per capita income affects the number of poor people.

### Partial t-test

#### Unemployment Variable

Based on the results of the analysis, it can be seen that the Unemployment variable has a t-count of 5.534562 with a probability of 0.0000 < 0.05, so it can be concluded that the Unemployment variable has a significant effect on the Number of Poor People.

#### Health Variables

Based on the results and analysis can know that the Health variable has a t- t-count of 4.068475 with a probability of 0.0002 < 0.05, so that can concluded that Health variables have an effect significant to Amount Poor People.

#### Elementary School Education Variable

Based on the results of the analysis, it can be seen that the Elementary School Education variable has a t-count of -3.084725 with a probability of 0.0038 < 0.05, so it can be concluded that the Elementary School Education variable has a significant effect on the Number of Poor People.

#### Junior High School Education Variable

Based on the results of the analysis, it can be seen that the Junior High School Education variable has a t-count of -0.495719 with a probability of 0.6230 > 0.05, so it can be concluded that the Junior High School Education variable has no significant effect on the Number of Poor People.

#### High School Education Variable

Based on the results of the analysis, it can be seen that the High School Education variable has a t-count of -4.484712 with a probability of 0.0001 < 0.05, so it can be concluded that the High School Education variable has a significant effect on the Number of Poor People.

### **College Education Variable**

Based on the results of the analysis, it can be seen that the Higher Education variable has a t-count of -3.414449 with a probability of  $0.0016 < 0.05$ , so it can be concluded that the Higher Education variable has a significant effect on the Number of Poor People.

### **Per Capita Income Influence Variables**

Based on the results of the analysis, it can be seen that the Per Capita Income variable has a t-count of -2.099771 with a probability of  $0.0426 < 0.05$ , so it can be concluded that the Per Capita Income variable has a significant effect on the Number of Poor People.

### **Coefficient Determination of R- squared (R<sup>2</sup>)**

Coefficient The determination of R- squared (R<sup>2</sup>) is 0.598161 or 59.81%. This is show If effort the independent variable is Unemployment , Health , Education School Elementary , School Intermediate First , School High School , College Tall And Income Per capita explain variable bound Amount Resident Poor by 59.81% and the rest as much as 40.19% is explained by variable other .

Based on the regression equation, it can be seen that the constant coefficient in the equation is -15.25983. The coefficient of each variable has a positive and negative value. When viewed from the probability, the constant has a probability of 0.0031, unemployment is 0.0000, health is 0.0002, elementary school education is 0.0038, junior high school education is 0.6230, high school education is 0.0001, a college education is 0.0016 and per capita income is 0.0426. The estimation results show that in the long term, the variables unemployment, health, elementary school education, high school education, college education and per capita income have a probability of  $< 0.05$ . So it can be concluded that the variables unemployment, health, elementary school education, high school education, college education and per capita income have a significant effect on the number of poor people, while the variable junior high school education has a probability of  $> 0.05$  so it can be concluded that the variable junior high school education does not have a significant effect on the number of poor people. The following is a discussion of each independent variable that influences the number of poor people.

## **DISCUSSION**

### **The Impact of Unemployment on the Number of Poor People**

Based on the results of panel data estimation, unemployment has a positive effect on the poverty rate in the districts/cities of Bali Province with a coefficient of 3.137286 and a probability value of  $0.0000 < 0.05$ . The results of this study are in line with research conducted by (SASKIA, 2014) which found that the unemployment rate has a positive and significant relationship with the poverty rate. This means that the higher the unemployment rate, especially in Bali Province, the greater the number of poor people. The results of this study are by the opinion of Sadono Sukirno (2004), who stated that one of the main effects of unemployment is

reducing people's income and reducing the level of prosperity they achieve. Due to a lack of income, the unemployed must reduce their consumption spending. If unemployment in a country is very bad, political and social chaos always occurs and hurts people's welfare and long-term economic development plans. The decreasing welfare of people due to unemployment will certainly increase their chances of being trapped in poverty because they have no income.

### **The Impact of Health on the Number of Poor People**

Based on the results of panel data estimation, health is influential negatively on the level of poverty in the district/city of Bali Province with a coefficient of 0.304806 and a value the probability of  $0.0002 < 0.05$ . The results of the study This is in line with research conducted by (Zulfa, 2024) which obtained results that health has a positive and significant relationship to poverty. Health is a factor important in influence amount poor people. Factors that make the number of Hope Life influential positive to poverty is Because, during the 2018-2022 period in Bali Province, the number of Hope Life reached 70. This figure is considered high and can have both good and bad impacts. With a high life expectancy, a person usually has good health. However, if the impact is negative, life expectancy that reaches 70 is susceptible to various diseases, which in turn can increase poverty levels. This increase in poverty rates occurs because people have to bear additional costs for health care. This is a problem for those with low incomes because additional medical costs are needed when their health declines. In addition, high life expectancy does not always indicate that people are prosperous, because the average age that reaches 70 is not productive. As a result, their productivity decreases and has an impact on the income received.

### **The Influence of Elementary School Education on the Number of Poor People**

Based on the results panel data estimation is known that education school basis of measurement uses the percentage of residents 15 years old to according to education highest degree completed school base districts/cities in Bali Province have an influence negative to amount poor population in the district/city Bali Province with a coefficient of -0.038559 and the value the probability of  $0.0038 < 0.05$ . This is according to the theory of growth news which emphasizes the important role of government specifically in increasing human capital development (*human capital*) and development For increase the productivity of human beings. In reality can seen that investment in education will increase the quality source Power humans as indicated by the increasing knowledge and skills of someone. The higher the level of education, the knowledge and skills will also increase, which will lead to an increase in a person's productivity. The results of this study are by the study, which uses the number of high school graduates and above in districts/cities in Bali Province which has a negative and significant influence.

### **The Influence of Junior High School Education on the Number of Poor People**

Based on the results panel data estimation, education school intermediate First influential positive to amount poor population in the district/city of Bali

Province with a coefficient of -0.011916 and a value the probability of  $0.6230 > 0.05$ . Variable education school intermediate First influential negative and no significant to amount poor population in the district/city Bali Province. This means that every increase in junior high school education will have an impact on reducing poverty, but the impact is not that significant.

Education should be the main weapon in eradicating poverty because through education a person will gain knowledge that will later be useful for getting a decent job. A good education opens up great opportunities to get a job with a good income. This means that there is a strong correlation between education and income which will ultimately have an impact on increasing welfare and reducing poverty. The results of this study are in line with (Sinaga et al., 2023) where this study confirms that the impact of education in poverty alleviation efforts in the Nias Islands is not significant. This means that education cannot yet be an effective weapon in eradicating poverty in the area.

### **The Effect of High School Education on the Number of Poor People**

Based on the results panel data estimation obtained results coefficient variable education school intermediate on of -0.063543 with probability of  $0.0001 < 0.05$ . Variable education school intermediate on influential negative and significant to amount poor population in the district/city Bali Province. The results show that increasing high school education will reduce poverty. According to Kuznet in Todaro (2011), where education in many countries is a way to escape poverty. Where it is described as someone poor expecting a good job and high income, then they must have a higher education. However, higher education can only be achieved by the rich. Meanwhile, the poor do not have enough money to finance education to a higher level, such as university. So it can be said that education is very influential in overcoming poverty. The results of this study are in line with research conducted by.

### **The Influence of Higher Education on the Number of Poor People**

Based on the results panel data estimation, education colleges tall influential negative to amount poor population in the district/city Bali Province with a coefficient of -0.087797 and a value the probability of  $0.0016 < 0.05$ . Variable education colleges tall influential negatively and significantly to the poor population in the district/city of Bali Province. This means that every increase in higher education will have an impact on reducing poverty. The results of this study are in line with previous research conducted by (Chairunnisa & Qintharah, 2022) which found that education has a negative and significant relationship with the number of poor people. If education in an area is good, then the quality of human resources in that area is also good. Education plays an important role in shaping the ability of a developing country to absorb modern technology and increase capacity so that sustainable growth and development are created. Therefore, a person with a quality education will be able to produce goods and services optimally, which will ultimately obtain optimal income as well. If the population's income is high, all their needs will be met and they will be far from poverty.

### **The Influence of Per Capita Income on the Number of Poor People**

Based on the results panel data estimation processed using Eviews 10 obtained results that coefficient from income per capita of -1.038903 and the value the probability of  $0.0426 < 0.05$ , which indicates that variable income per capita influential negative and significant to amount poor population. So that means, every 1 per cent increase in per capita income will cause a decrease in the number of poor people by -1.038903 per cent. When per capita income increases, people can meet their living needs easily, so that poverty can be reduced Per capita income is one indicator that can be used to see the success of economic development in a particular region.

Based on the results of this study, it can be concluded that Kuznet's theory is appropriate. This theory states that growth and poverty have a very strong correlation to poverty. Economic growth in the early stages causes poverty rates to continue to increase, but when approaching the final stage of development there is a continuous reduction in poverty rates. Thus, economic growth hurts poverty, meaning that if per capita income increases, poverty will decrease.

### **CONCLUSION**

Poverty is a complex and significant social problem in Indonesia, especially in developing areas such as Bali Province. Although Bali is known as one of the world's leading tourism destinations with natural beauty and cultural richness that attract millions of tourists, poverty remains a major challenge. Although the tourism sector contributes greatly to the local economy, its impact on unemployment, health, education, and per capita income shows instability that affects people's welfare.

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