

THE INFLUENCE OF ECONOMIC GROWTH, HUMAN DEVELOPMENT INDEX, AND OPEN UNEMPLOYMENT RATE ON POVERTY LEVELS IN SUMENEP REGENCY

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Abstract

This study examines the impact of economic growth, the Human Development Index (HDI), and the open unemployment rate on poverty levels in Sumenep Regency. Using a quantitative approach with multiple regression analysis, this research analyzes secondary data from the Central Bureau of Statistics (BPS) for the period 2015–2023. The results indicate that economic growth significantly reduces poverty by generating employment opportunities and increasing household income. However, HDI does not show a significant effect, suggesting that improvements in health, education, and income require longer-term interventions to impact poverty reduction. Conversely, the open unemployment rate has a significant positive effect on poverty levels, indicating that higher unemployment contributes to increased poverty rates due to reduced purchasing power. Based on these findings, policy recommendations include promoting economic growth through infrastructure development and investment support, enhancing HDI by improving education and healthcare access, and reducing unemployment through job creation programs and vocational training. These integrated strategies are expected to lower poverty rates and enhance overall welfare in Sumenep Regency.

Keywords: Economic Growth, Human Development Index, Unemployment

INTRODUCTION

Poverty in Sumenep Regency is a complex and multidimensional issue that not only involves income aspects but also access to education, healthcare, and decent employment opportunities. This condition aligns with the understanding that poverty often creates a difficult-to-break cycle due to low human resource quality and limited access to adequate public services (Saragih et al., 2022). The poverty issue in Sumenep continues to be exacerbated by regional development disparities, low labor productivity, and limitations in economic sector diversification. Without serious intervention, persistent poverty will have long-term negative impacts, both on community welfare and the region's development progress (Leonita & Sari, 2019).

One crucial approach to understanding the dynamics of poverty in Sumenep Regency is through the analysis of three key factors: economic growth, the Human Development Index (HDI), and the open unemployment rate. Positive economic growth is expected to create more job opportunities and increase people's income. Research has shown that economic growth is negatively correlated with poverty levels, meaning that higher economic growth can reduce the proportion of the poor population (Yosa, 2022; Silaban et al., 2020). Meanwhile, a high HDI reflects better human resource quality, which is essential for improving competitiveness in the labor market (Kolibu et al., 2019). On the other hand, a high unemployment rate has the potential to worsen poverty, as reduced income from formal employment can push individuals and families into more inadequate living conditions (Azizah & Asiyah, 2022).

Economic growth is often interpreted as a key factor in reducing poverty levels, based on the theoretical mechanism that an increase in economic growth can generate more job opportunities and boost people's incomes. When productive sectors such as industry, trade, and services expand, they create broader employment opportunities, which in turn help improve people's access to stable sources of income. This is reinforced by research showing that sustained economic growth has a positive impact on poverty reduction, particularly through job creation and increased purchasing power (Taruno, 2019; Mariyanti, 2016). Furthermore, with increased regional income, the government will be better able to allocate

budgets for essential social programs, such as education and healthcare, which play a crucial role in helping communities escape poverty (Cahayati et al., 2024).

However, in regions such as Sumenep Regency, even though economic growth is increasing, its impact on poverty reduction is not always proportional. One major issue is income distribution inequality, where economic growth is disproportionately enjoyed by a small group of individuals, while the poor remain left behind (Tambunan, 2021). Studies indicate that without adequate economic inclusion, growth fails to reach all segments of society, particularly those with low education levels and limited skills (Suryahadi et al., 2012). This limitation results in a significant portion of the population being unable to participate optimally in more productive economic sectors. The impact of this issue is evident when economic growth is not accompanied by equal opportunities for all social groups to access decent employment.

The Human Development Index (HDI) is a crucial indicator reflecting the quality of life in a society, encompassing aspects of education, healthcare, and a decent standard of living. A high HDI indicates that the population has better access to education and healthcare services, as well as a higher level of well-being (Nasruddin & Azizah, 2022). In Sumenep Regency, challenges in improving HDI remain significant, particularly in the areas of education and healthcare. Limited access to quality education greatly affects school participation and the skills of the local workforce, which in turn reduces opportunities for decent employment (Azizah & Asiyah, 2022). Additionally, the poor quality of healthcare services, especially in rural areas, also contributes to this issue. The inability to obtain optimal healthcare services results in lower productivity and an increased risk of poverty within the community (Budiman & Cahyani, 2022).

A low HDI can worsen poverty conditions, as individuals with poor education and health face difficulties in securing better employment. In this context, lack of adequate skills and low levels of education often trap individuals in the informal sector, which does not offer stable income or social security (Ferdin, 2022). Moreover, poor health affects workforce productivity, as impoverished communities often lack access to adequate healthcare services, making them more vulnerable to illness and reducing their ability to work efficiently (Wahyuni et al., 2021). Therefore, the strong correlation between a low HDI and high poverty

rates highlights the need for strategic measures in poverty alleviation efforts in Sumenep Regency.

Better education and healthcare are prerequisites for increasing HDI, which can ultimately help people break free from poverty. The government should focus on improving access and the quality of education and healthcare services (Reavindo, 2021). Strengthening educational and healthcare infrastructure, as well as providing skills training for the community, are crucial steps in enhancing people's capabilities and facilitating access to better job opportunities. Consequently, increasing HDI will not only contribute to improving the quality of life but also to reducing poverty levels in Sumenep Regency.

Open unemployment is one of the main contributors to the high poverty rate in Sumenep Regency. In this context, unemployed individuals lose access to vital income sources needed to meet their daily needs. The majority of the population in Sumenep works in agriculture and fisheries, which, despite being the main economic sectors, struggle to absorb the workforce optimally, especially for new job seekers. Many jobs in these sectors are seasonal, leading to unstable income and economic uncertainty for workers (Dwiningwarni et al., 2019). Additionally, limited economic diversification and formal employment opportunities contribute to high unemployment rates, where many higher education graduates struggle to find jobs that match their skills, forcing them to shift to the informal sector, which offers low and uncertain income.

The Human Development Index (HDI) is an important indicator that reflects the quality of life of a population, encompassing aspects of education, health, and a decent standard of living. A high HDI indicates that people have better access to education and healthcare services, as well as improved overall welfare (Nasruddin & Azizah, 2022). In Sumenep Regency, challenges in improving HDI remain significant, particularly in the aspects of education and health. Limited access to quality education significantly affects school participation and the skills of the local workforce, which in turn reduces opportunities for decent employment (Azizah & Asiyah, 2022). Additionally, the low quality of healthcare services, especially in rural areas, further contributes to these challenges. The inability to access optimal healthcare services results in decreased productivity and an increased risk of poverty in society (Budiman & Cahyani, 2022).

Low HDI can worsen poverty conditions, as people with inadequate education and poor health struggle to obtain better jobs. In this context, a lack of sufficient skills and low educational attainment often trap individuals in the informal sector, which does not provide stable income or social security (Ferdin, 2022). Poor health further affects labor productivity, as impoverished communities often lack access to adequate healthcare services, making them more vulnerable to illness and unable to work efficiently (Wahyuni et al., 2021). Therefore, the strong correlation between low HDI and high poverty rates highlights the need for strategic measures to alleviate poverty in Sumenep Regency.

Better education and healthcare are prerequisites for increasing HDI, which in turn can help communities escape poverty. The government should focus on improving access to and the quality of education and healthcare services (Reavindo, 2021). Strengthening educational and healthcare infrastructure, as well as providing skills training for the community, are crucial steps in enhancing people's capabilities and facilitating access to better employment opportunities. Consequently, improving HDI will not only contribute to a higher quality of life but also help reduce poverty levels in Sumenep Regency.

Open unemployment is one of the main contributors to the high poverty rate in Sumenep Regency. In this context, unemployed individuals lose access to vital income sources needed to meet their daily needs. Most of the population in Sumenep works in the agriculture and fisheries sectors, which, despite being the main economic drivers, have limitations in optimally absorbing the workforce, particularly for new labor market entrants. Many jobs in these sectors are seasonal, leading to unstable incomes and economic uncertainty for workers (Dwiningwarni et al., 2019). Furthermore, the limited diversification of the economy and formal employment opportunities contribute to the high unemployment rate, where many university graduates struggle to find jobs that match their skills and are forced to turn to the informal sector, which offers low and uncertain incomes.

The high unemployment rate in this region has the potential to exacerbate poverty conditions, as it reduces people's purchasing power and increases dependence on government social assistance. Research has shown that prolonged unemployment correlates with other social issues, including rising crime rates and declining family well-being (Desmawan et al., 2021). Therefore, to address poverty in Sumenep Regency, it is essential to boost job creation

through the development of more diverse economic sectors. This includes encouraging investment in small and medium enterprises, promoting entrepreneurship, and enhancing vocational skills training. These measures are expected to reduce the unemployment rate and provide communities with better opportunities to improve their economic well-being (Quy, 2016).

Analyzing the impact of economic growth, the Human Development Index (HDI), and open unemployment rates on poverty levels in Sumenep Regency is crucial for developing effective poverty alleviation policies. Positive economic growth is expected to improve HDI and create more job opportunities. Research has shown that economic growth significantly contributes to poverty reduction. A study by Garza-Rodríguez found that economic growth increases were associated with poverty reduction in Mexico, with findings indicating that a 1% increase in economic growth could lead to a 2.4% decrease in poverty through increased per capita consumption (Garza-Rodríguez, 2018). Similarly, a study by Mariyanti emphasized the importance of the relationship between economic growth and income inequality reduction, which can help lower poverty rates (Mariyanti, 2016).

However, a challenge in Sumenep is that despite economic growth, it does not always correspond with improvements in HDI and reductions in unemployment. Research by Hasan indicates that although Indonesia's economic growth ranges between 5% and 6% per year, it has not significantly reduced poverty levels and has even shown an increase in the number of impoverished people in Indonesia (Hasan, 2021). Additionally, studies on open unemployment highlight that the local economy's inability to optimally absorb the workforce results in high poverty rates in the region, although no direct citation is provided for this reference.

From the review of previous studies, the novelty of this research lies in integrating both quantitative and qualitative analyses to examine the relationships among these three variables (economic growth, HDI, and unemployment) within the unique context of Sumenep. This research not only focuses on linear relationships but also explores potential interactions and reciprocal influences among these variables. Furthermore, the findings of this study are expected to provide more comprehensive, data-driven policy recommendations to the local government, such as strategies for improving human resource quality, methods

for creating inclusive new jobs, and better approaches for achieving equitable economic growth. By analyzing these factors simultaneously and developing smarter and more targeted policy approaches, it is hoped that the local government can effectively and sustainably reduce poverty rates in Sumenep Regency, create opportunities for all societal levels, and enhance overall quality of life.

REVIEW OF LITERATURE

Poverty and Its Influencing Factors

Poverty is a multifaceted issue that significantly influences various aspects of human life, encompassing economic, social, and political dimensions. It is defined as the condition wherein individuals or groups lack the necessary resources to meet necessities such as food, shelter, healthcare, and education. Theories regarding the root causes of poverty can be categorized into several frameworks. The Individualistic Theory attributes poverty to personal deficits, such as lack of motivation or skills, while the Structural Theory highlights systemic issues like economic inequality and discrimination. The Geographical Theory suggests that factors tied to specific locations, including regional economic development and infrastructure availability, contribute to poverty. Additionally, the Economic Theory examines macroeconomic elements, such as inflation and income distribution, that affect poverty levels at both national and regional levels (Asongu & Eita, 2023; Madania & Mubarak, 2023).

Various indicators are employed to measure poverty effectively. The Headcount Index quantifies the percentage of the population living below the poverty line, while the Poverty Gap Index considers how far the average income of the poor is from this line, thereby reflecting the intensity of poverty. The Severity Index further measures inequality among the impoverished, ensuring that policy interventions address the needs of the most disadvantaged groups (Fink et al., 2023; Callander et al., 2012). Contributing factors to the persistence of poverty include inadequate access to education, insufficient healthcare services, and high unemployment rates. Education is pivotal for poverty alleviation, as higher educational attainment directly correlates with increased job opportunities and earnings. Likewise, access to healthcare significantly impacts productivity; poor health can hinder individuals from

working or pursuing further education (D'Attoma & Matteucci, 2023; Gutiérrez-Romero & Ahamed, 2021).

Economic Growth and Poverty

Economic growth is widely recognized as a vital mechanism for reducing poverty, given its potential to increase income levels, generate employment, and enhance living standards. Typically gauged through the growth of Gross Domestic Product (GDP), economic growth reflects the expansion of a country's or region's economic activities. To elucidate the mechanics of growth, several economic theories offer insights. The Harrod-Domar Model emphasizes capital accumulation as a key driver of increased economic output, positing that higher investment levels can spur economic growth. Conversely, the Solow-Swan Model incorporates technological improvements as essential for sustaining growth over the long term. The Endogenous Growth Theory further extends this discussion by underscoring the roles of human capital, innovation, and knowledge in fostering enduring economic advancements (Dumo et al., 2023; Hasan, 2021).

While economic growth can lead to poverty reduction through enhanced job opportunities and elevated wages, its benefits are not uniformly experienced across society. In some contexts, growth may disproportionately favor higher-income groups, thereby exacerbating income inequality and limiting reductions in poverty for the most marginalized populations. These divergent impacts of growth foster two competing perspectives: the “trickle-down effect” and “pro-poor growth”. The trickle-down theory suggests that benefits from economic expansion will eventually trickle down to lower-income groups as wealth circulates through the economy via job creation and increased demand for goods and services. Critics, however, argue that this approach often results in widening income disparities, undermining the welfare of lower-income individuals (Nguyen & Pham, 2018; Dollar et al., 2016).

In summary, to mitigate poverty effectively in Kabupaten Sumenep, policymakers must understand the relationship between economic growth and poverty. This entails implementing equitable economic development strategies that ensure all community segments benefit from economic progress. Enhanced focus on targeted interventions, such as bolstering human capital through education and healthcare investments and creating

opportunities in diverse economic sectors, can lead to a more balanced approach to growth and poverty reduction (Pradhan, 2010).

Human Development Index (HDI) and Poverty

The Human Development Index (HDI) is a comprehensive measure that assesses the overall quality of life in a region based on three key dimensions: education, health, and standard of living. A high HDI indicates that a population has better access to quality education, healthcare, and economic opportunities, enhancing their capacity to escape poverty. Education plays a crucial role in human development, as individuals with higher levels of education tend to secure better employment opportunities and earn higher incomes, which contribute to economic growth (Nyussupova et al., 2022; Ripamonti, 2023). Health is another critical component; a healthier population is typically more productive and less burdened by medical expenses that can trap families in cycles of poverty. Lastly, a decent standard of living, often measured by per capita income, reflects economic conditions that affect individuals' ability to afford necessities (Dasuev, 2023).

In Kabupaten Sumenep, challenges in improving education and healthcare services contribute to persistently low HDI scores, which affect poverty levels. Limited access to quality schools, high dropout rates, and inadequate healthcare facilities hinder the region's ability to enhance human capital, making it difficult for individuals to break free from poverty (Radieva & Kolomiets, 2019; Zhang, 2023). The impact of HDI on poverty is evident as human capital development influences economic participation and income levels. A region with a low HDI often struggles with a poorly educated workforce, limiting the population's ability to engage in higher-paying jobs and entrepreneurial activities. Additionally, inadequate healthcare services can lead to a high disease burden, reducing productivity and increasing household expenses on medical treatments (Widarni et al., 2022).

Moreover, the integration of health investments has been particularly effective in poverty reduction efforts. Studies indicate a direct correlation between health enhancements and economic productivity, suggesting that expenditures in this area yield substantial returns in terms of improved living standards and poverty alleviation (Omojimito, 2011; Abbas, 2022). Therefore, combining educational improvements with healthcare reforms is crucial

for regions like Kabupaten Sumenep, where holistic approaches can lead to more significant impacts on poverty levels and overall community well-being.

Open Unemployment Rate and Poverty

Open unemployment is a significant factor contributing to poverty, as it directly impacts income levels and economic stability. Unemployment occurs when individuals actively seeking jobs are unable to find suitable employment, resulting in financial distress and a lower standard of living. High unemployment rates can indicate inefficiencies in the labor market, where job seekers are unable to match available opportunities due to various factors, including skill mismatches, lack of industrial diversification, and slow economic growth Wibowo & Setyowati (2023). In Kabupaten Sumenep, despite the agricultural and fisheries sectors being dominant, the region struggles to adequately absorb its growing labor force. Many young graduates and job seekers find themselves in a precarious situation, often resorting to informal sector jobs that provide low wages and lack job security (Surur, 2022; Quy, 2016). The relationship between unemployment and poverty is deeply interconnected. Prolonged joblessness reduces household income and limits access to essential services such as healthcare, education, and housing. Individuals who remain unemployed are prone to depleting their savings, accumulating debt, and relying on social assistance programs, which can increase the economic strain on the government (O'Campo et al., 2015; Ogbeide & Agu, 2015). Moreover, high unemployment can exacerbate social issues, including increased crime rates and mental health problems (Amaluddin, 2020).

To address unemployment effectively, a multifaceted approach is necessary. Policies aimed at promoting job creation, vocational training, and entrepreneurship development are essential. In Kabupaten Sumenep, efforts to reduce unemployment should focus on diversifying economic sectors beyond agriculture and fisheries, enhancing vocational education and training, and attracting investment to create sustainable employment opportunities (Desmawan et al., 2021; Choirur et al., 2021). By tackling unemployment, the region can reduce poverty rates and strengthen the economic resilience of its population. In conclusion, to effectively combat poverty in Kabupaten Sumenep, concerted efforts to address unemployment through targeted policies and programs are crucial. This approach will not only help improve income levels but also enhance access to essential services,

ultimately leading to better socioeconomic conditions for the region's residents (Ilham, 2023; Soharwardi et al., 2021).

RESEARCH METHOD

Research Methodology

This study employs a quantitative approach using panel data regression analysis to examine the impact of economic growth, Human Development Index (HDI), and open unemployment rate on poverty levels in Sumenep Regency. The study covers the period from 2015 to 2023, utilizing secondary data obtained from the Sumenep Regency Central Bureau of Statistics (BPS) and other official government publications.

Research Variables

The dependent variable in this study is the poverty rate (Y), which is measured as the percentage of the population living below the poverty line. Meanwhile, the independent variables include economic growth (X_1), represented by the Gross Regional Domestic Product (GRDP) growth rate at constant prices; the Human Development Index (HDI) (X_2), which reflects the quality of education, health, and overall standard of living; and the Open Unemployment Rate (X_3), which indicates the proportion of unemployed individuals within the labor force.

This analytical framework aims to capture the influence of economic growth, human development, and unemployment on poverty dynamics within Sumenep Regency, providing empirical insights into the economic determinants of poverty reduction.

Data Processing

Data analysis is conducted using EViews or Stata software to ensure accurate estimations. This study aims to provide comprehensive insights into the factors influencing poverty levels in Sumenep Regency from 2015 to 2023, offering recommendations for effective poverty reduction policies.

RESULTS AND DISCUSSION

Descriptive Variable

Table 1
Descriptive Statistics

Descriptive Statistics					
	N	Min	Max	Mean	Std. Deviation
X1_Economic growth	9	-1.46	5.38	4.0778	2.17276
X2_IPM	9	62.38	67.96	65.4622	1.79501
X3_Open_Unemployment_Rate	9	1.36	2.84	1.9833	.41917
Y_Poverty Level	9	18.70	20.51	19.7444	.65391
Valid N (listwise)	9				

Source: Primary Data Processed (2025)

Based on the table, the economic growth variable (X1) shows an average value of 4.0778 with a standard deviation of 2.17276, indicating relatively high data dispersion. The Human Development Index (X2) has a mean of 65.4622, showing a consistent pattern with a standard deviation of 1.79501. The open unemployment rate (X3) has a low average of 1.9833, with a small deviation of 0.41917. Meanwhile, the poverty rate (Y) averages 19.7444, with a standard deviation of 0.65391, indicating that the data is relatively homogeneous.

Normality Test

To ensure the validity of the regression model, a normality test was conducted using the One-Sample Kolmogorov-Smirnov Test. The results are presented in the following table:

Table 2
Normality Test

One-Sample Kolmogorov-Smirnov Test			
			Unstandardized Residual
N			9
Normal Parameters ^{a, b}		Mean	.0000000
		Std. Deviation	.32339165
Most Extreme Differences	Extreme	Absolute	.143
		Positive	.143
		Negative	-.098
Test Statistic			.143
Asymp. Sig. (2-tailed)			.200 ^{c, d}

Source: Primary Data Processed (2025)

Based on the Kolmogorov-Smirnov normality test results, the Asymp. Sig. value is 0.200, which is greater than the significance level of 0.05. This indicates that the residuals are normally distributed, fulfilling the assumption of normality required for regression analysis

Heteroscedasticity Test

The heteroscedasticity test is conducted to examine whether there is a variance inequality in the residuals of the regression model. One method to detect heteroscedasticity is by using the scatterplot graph, which plots the residuals against the predicted values. The results are shown in the following figure:

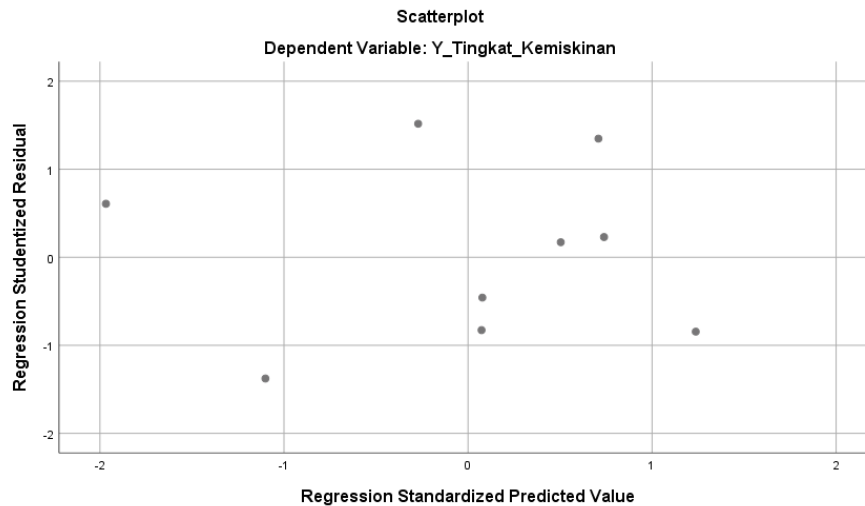


Figure 1
Heteroscedasticity Test
 Source: Primary Data Processed (2025)

Based on the scatterplot, the distribution of points appears to spread randomly without forming a clear pattern, either wavy, cone-shaped, or concentrated in certain areas. This indicates that there is no heteroscedasticity in the regression model, meaning the residual variance is constant, which meets the assumption of homoscedasticity in regression analysis.

Multicollinearity Test

The multicollinearity test aims to determine whether there is a high correlation between independent variables in the regression model. This test is conducted using the Variance Inflation Factor (VIF) and Tolerance values. The results of the multicollinearity test are presented in the following table:

Table 3
Multicollinearity Test

Coefficients ^a			
Model		Collinearity Statistics	
		Tolerance	VIF
1	(Constant)		
	X1_Economic growth	.155	6.442

	X2_IPM	.548	1.825
	X3_Open_Unemployment_Rate	.169	5.919
a. Dependent Variable: Y_Poverty Level			

Source: Primary Data Processed (2025)

Based on the table, the Tolerance value for each independent variable is greater than 0.10, and the VIF value is less than 10, except for X1 (Economic Growth) and X3 (Open Unemployment Rate), which show higher VIF values. However, the results still indicate that multicollinearity is not severe, and the independent variables can be included in the regression model without significant issues

Autocorrelation Test

The autocorrelation test is conducted to detect whether there is a correlation between residuals in the regression model. This study uses the Durbin-Watson test to measure the presence of autocorrelation. The results are presented in the following table:

Table 4
Autocorrelation Test

Model	Durbin-Watson
1	2.138

Source: Primary Data Processed (2025)

Based on the Durbin-Watson value of 2.138, which is within the range of 1.5 to 2.5, it can be concluded that there is no autocorrelation in the regression model. The absence of autocorrelation indicates that the residuals are independent, which fulfills one of the classical assumptions of linear regression analysis.

Research Data Analysis Regression

The hypothesis test aims to examine the influence of independent variables (Economic Growth, Human Development Index, and Open Unemployment Rate) on the dependent variable (Poverty Rate) using the t-test. This test assesses the significance of each independent variable in explaining the dependent variable. The results are shown in the following table:

Table 5
Analysis Regression

Coefficients ^a				
Model	Unstandardized Coefficients	Standardized Coefficients	t	Sig.

		B	Std. Error	Beta		
1	(Constant)	22.383	8.816		2.539	.052
	X1_Economic growth	-.190	.169	-.631	3.125	.003
	X2_IPM	-.107	.109	-.294	-.985	.370
	X3_Open_Unemployment_Rate	1.818	.839	1.166	3.166	.008

a. Dependent Variable: Y_Poverty Level

Source: Primary Data Processed (2025)

Based on the table, the Economic Growth variable (X1) has a significant effect on the Poverty Rate, with a Sig. value of 0.003 (less than 0.05). Meanwhile, the Human Development Index (X2) does not have a significant effect, as indicated by the Sig. value of 0.370 (greater than 0.05). The Open Unemployment Rate (X3) significantly affects the Poverty Rate, with a Sig. value of 0.008 (less than 0.05). This indicates that Economic Growth and Open Unemployment Rate are the dominant factors affecting poverty levels in Sumenep Regency.

F Test and Coefficient of Determination (R Square)

Table 6
F Test and Coefficient of Determination (R Square)

F Test	R Square
F Test 6.148	0.755
Sig 0.005	

Based on Table 6, the F test results show a significance value of 0.005 (less than 0.05), indicating that Economic Growth, Human Development Index, and Open Unemployment Rate simultaneously have a significant effect on the Poverty Rate. Meanwhile, shows that the R Square value is 0.755, meaning that 75.5% of the variation in the Poverty Rate can be explained by the three independent variables, while the remaining 24.5% is influenced by other factors not included in this model.

Research Data Analysis

Table 7
Analysis Result

Hypothesis	Influence	T Statistics	Sig	Description
H1	Economic Growth → Poverty Rate	3.125	0.003	Significant

H2	IPM → Poverty Rate	-0.985	0.370	Not Significant
H3	Open Unemployment Rate → Poverty Rate	3.166	0.008	Significant

Source: Primary Data Processed (2025)

The results indicate that Economic Growth has a significant negative effect on Poverty Levels, with a T-statistic of 3.125 and a significance value of 0.003 (less than 0.05). This means that an increase in economic growth contributes to reducing poverty levels in Sumenep Regency. The negative coefficient shows that higher economic growth leads to lower poverty rates, aligning with economic theory that improved economic performance enhances people's welfare. A growing economy has a significant influence on poverty levels, and various studies show a strong negative relationship between economic growth and poverty (Amar et al., 2022), Noor, 2024). When economic growth increases, the jobs created can reduce the number of people living below the poverty line. This is because economic growth is often accompanied by an increase in income and better employment opportunities, which contribute to a reduction in the poverty rate (Gumilar et al., 2024).

The Human Development Index (HDI) variable does not have a significant effect on Poverty Levels, with a T statistic of -0.985 and a significance value of 0.370 (greater than 0.05). This indicates that changes in the Human Development Index alone do not significantly influence poverty reduction in Sumenep Regency. The result suggests that although HDI reflects health, education, and income, its direct impact on poverty might require more time or supporting factors to become evident. The Human Development Index (HDI), a multidimensional indicator that measures health, education, and income, is often associated with poverty reduction. However, some studies show that the relationship between HDI and poverty rates is not always significant. Findings from a study conducted by Harlan (Harlan, 2023) show that HDI has a negative but insignificant effect on poverty rates in Lampung, which suggests that although HDI increases, it is not always followed by a meaningful reduction in poverty. The study suggested that the government needs to focus on improving HDI, particularly in the aspects of health and education, to support more effective poverty reduction efforts (Harlan, 2023).

The Open Unemployment Rate has a significant positive effect on Poverty Levels, with a T statistic of 3.166 and a significance value of 0.008 (less than 0.05). This implies that higher unemployment rates are associated with higher poverty levels in Sumenep Regency. Unemployment reduces household income, limiting access to basic needs and ultimately increasing poverty levels. This finding highlights the importance of employment creation in poverty reduction strategies. The open unemployment rate (TPT) has been proven to have a positive and significant effect on the poverty rate. Research conducted by Ardian et al. showed that an increase in the open unemployment rate in Jambi Province contributed to an increase in the poverty rate. The study notes that unemployment, especially for those who encounter difficulties in finding work, directly reduces people's purchasing power and erodes household income (Ardian et al., 2021). Another study conducted in East Nusa Tenggara by Mangi and Marseto also found similar results, stating that TPT has a significant positive effect on poverty (Mangi & Marseto, 2023). In other words, any increase in unemployment directly increases in the proportion of people living in poverty.

CONCLUSION

Based on the research findings, it can be concluded that economic growth significantly reduces poverty levels in Sumenep Regency. The negative relationship indicates that as the economy grows, more employment opportunities are created, and people's incomes improve, ultimately lowering poverty rates. Meanwhile, the Human Development Index (HDI) does not show a significant effect on poverty levels, suggesting that the impact of health, education, and income improvements on poverty reduction may take longer to manifest or require additional support. On the other hand, the open unemployment rate has a significant positive effect on poverty levels, indicating that higher unemployment contributes directly to increased poverty rates by reducing household income and purchasing power.

Based on these findings, several recommendations are proposed. The government should prioritize policies that stimulate economic growth through infrastructure development, investment facilitation, and support for small and medium enterprises to generate more jobs. Additionally, efforts to improve the Human Development Index should be intensified by enhancing access to quality education and healthcare services, which can

contribute to poverty reduction in the long term. Lastly, reducing the unemployment rate is crucial by implementing job creation programs, vocational training, and entrepreneurship development initiatives, especially for vulnerable groups, to empower the workforce and improve household income. These integrated strategies are expected to effectively lower poverty rates and improve the overall welfare of the population in Sumenep Regency

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