



Analyzing the Impact of Economic Growth, Poverty, and Unemployment on Income Inequality in Nusa Tenggara Barat Province (2018–2022)

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Abstract. Income inequality is a problem that has implications for the welfare of people between regions, where there are differences in income between developed regions and underdeveloped regions. This study aims to determine how much influence economic growth, poverty and unemployment have on income inequality in Nusa Tenggara Barat Province in 2018-2022. This research is a quantitative study using secondary data in the form of panel data obtained from BPS. The method used is panel less square with common effect model. The results of this study show that the economic growth variable has a negative and insignificant effect on income inequality in the province in 2018-2022, the poverty variable has a negative and significant effect on income inequality in the province in 2018-2022, and unemployment has a positive and insignificant effect on income inequality in Nusa Tenggara Barat Province in 2018-2022. Simultaneously, economic growth, poverty and unemployment have a significant influence on income inequality.

Keywords: Income Inequality, Economic Growth, Poverty, Unemployment.

1. INTRODUCTION

Income inequality is an issue of major concern in economic and social development around the world [1]. This phenomenon becomes more complex with changes in economic, social, and political conditions in various regions, including in Nusa Tenggara Barat Province [2]. Nusa Tenggara Barat Province has special characteristics that can affect the pattern of economic growth, poverty rate, and unemployment rate in it. Therefore, an in-depth analysis of the influence of economic growth, poverty rate, and unemployment rate on income inequality in NTB is important to study. Income inequality is the difference in income generated by society so that there are striking differences in income in society [3]. According to Amar and Pratama [1], income inequality can occur due to several factors, including factors that contribute to the growth of income distribution inequality, from wage disparity to globalization. Awalia et al. [4] state that one of the most basic causes of income or expenditure inequality is unequal opportunities, such as education can have an influence on income inequality over a long period of time. Unequal income distribution will affect the widespread prosperity of the community. The unequal distribution of income will create prosperity for some groups, and vice versa.

According to Boďa and Zimková [5] explains that the gini index or gini ratio has generally been used as a measure of inequality in measuring current inequality. Furthermore, it is said, in 2018-2019 the city of Bima is the city with the highest level of inequality, namely 0.417 and 0.371 then in 2020-2022, the city with the highest level of inequality is the city of Mataram where in 2020 it reached 0.381, in 2021 it reached 0.429 and in 2022 it reached 0.445. Economic growth is a key indicator in measuring the welfare of a region [6]. However, uneven economic growth can lead to income inequality among individuals and groups. This can happen if economic growth occurs only in certain sectors or in certain groups of society. In addition, high poverty rates and uncontrolled unemployment rates can exacerbate income inequality in a region.

Nusa Tenggara Barat as one of the provinces in Indonesia has unique economic potential, but also faces challenges in alleviating poverty and unemployment [7]. Geographical factors, infrastructure access, and an economic structure that tends to be

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centered on the agriculture and tourism sectors can affect economic growth and income distribution in the province. According to Adelowokan et al. [8] economic growth means the development of the production of goods and services in a country, such as the increase and the amount of production of industrial goods, infrastructure development. increase in the number of schools, increase in service sector production and increase in capital goods production. Economic growth is one indicator of successful development. Thus, the higher the economic growth, the higher the welfare of the community.

Economic growth is an effort to improve the standard of living of a nation which is often measured by the high and low real income per capita [9]. Economic growth shows the extent to which economic activity will result in an increase in people's income in a certain period [10]. The economy is considered to be growing if all real services to the use of factors of production in a particular year are greater than the real income of the community in the previous year. One indicator used to measure the economic growth of a region in a certain period is the growth rate of real Gross Domestic Regional Product (GRDP). Poverty is one of the persistent issues faced by the Province of Nusa Tenggara Barat (NTB), and it remains a critical problem that requires collective efforts to resolve [2]. According to data from the Central Statistics Agency (BPS) in 2023, Lombok Utara district has the highest poverty rate compared to other districts and cities in the region [11]. In 2018, the poverty rate in Lombok Utara reached 28.83%, rising slightly to 29.03% in 2019. Although it decreased to 26.99% in 2020, it rose again to 27.04% in 2021 and finally dropped to 25.93% in 2022. Despite the reduction, the poverty rate in Lombok Utara remains above 20%. In contrast, Mataram City consistently reported the lowest poverty rates, remaining around 8% from 2018 to 2022.

The high percentage of poverty in certain regions, like Lombok Utara, leads to a decline in purchasing power due to lower incomes. This situation is exacerbated by high unemployment rates, which further strain the local economy. In addition to economic growth and poverty, unemployment also plays a significant role in increasing income inequality. Unemployment, as defined by Mubarak and Sbm [12], is a situation in which individuals who are part of the labor force seek employment but are unable to find work. Unemployment places a burden not only on individuals but also on society and the government. It has profound effects on families and communities and can lead to increased social unrest and a decline in human development. From an economic perspective, a significant cause of unemployment is the failure of the market to provide sufficient employment opportunities to match the labor force, resulting in a job deficit relative to the population.

According to BPS [11], Mataram City had the highest unemployment rate in 2020 at 6.83%, while Lombok Utara reported the lowest unemployment rate in 2022, at 0.38%. Given these circumstances, this research seeks to explore the intricate relationships between economic growth, poverty, and unemployment, and how they contribute to income inequality in Nusa Tenggara Barat from 2018 to 2022. By analyzing these factors, the study aims to provide valuable insights into how regional disparities can be mitigated, offering policy recommendations for reducing poverty and unemployment, and promoting more equitable economic development.

2. METHOD

This research uses quantitative research because the information or data used is in the form of numbers and is analyzed based on statistical analysis. Quantitative methods are also known as traditional methods because they have long been used in research [13]. The approach used is an explanatory approach, where explanatory research according to Sugiyono [14] explains the position and relationship between variables through hypothesis testing that has been formulated. This study aims to explain the relationship between variables that can affect income inequality in Nusa Tenggara Barat Province. The research was conducted in Nusa Tenggara Barat Province, which was chosen because of the uneven economic inequality in its districts/cities. This study analyzes data from 2018-2022. The research population is districts/cities in Nusa Tenggara Barat Province which includes economic growth rate, poverty, unemployment, and gini ratio. The research sample used panel data from 10 districts/cities in Nusa Tenggara Barat Province during 2018-

2022. Data collection techniques include literature and documentation methods, with secondary data obtained from BPS.

The type of data used is secondary data, which according to Arifin et al. [15] is obtained indirectly through intermediary media. This data includes the Gini Ratio, GRDP growth rate, poverty rate, and open unemployment rate in Nusa Tenggara Barat Province in the 2018-2022 period. The research variables are identified as follows: income inequality (Y), economic growth (X1), poverty (X2), and unemployment (X3). The income inequality variable is measured using the Gini Ratio in percent, while economic growth is measured using GRDP in percent, poverty is measured in percent, and unemployment is also measured in percent. The data analysis method uses a panel data regression model with the E-views 12 application. Panel data analysis combines time series and cross section [9]. The panel data estimation model uses three approaches: common effect model, fixed effect model, and random effect model. The best model selection is done through Chow test, Hausman test, and Lagrange Multiplier test. After classical assumption tests such as normality, multicollinearity, autocorrelation, and heteroscedasticity tests are conducted, the next step is statistical tests. Statistical tests include the t test for partial parameter significance and the F test for simultaneous significance, as well as the coefficient of determination (R^2) analysis to measure how far the independent variables are able to explain the dependent variable.

3. RESULT AND DISCUSSION

3.1 Research Data

Income inequality can be measured using the gini ratio and can be expressed in percentage units (%). The NTB gini ratio data can be seen in **Table 1**.

Table 1 NTB Gini Ratio Data by Regency / City in 2018-2022

District/City Area	Gini Ratio				
	2018	2019	2020	2021	2022
Lombok Barat Regency	0.285	0.358	0.306	0.389	0.421
Lombok Tengah Regency	0.332	0.364	0.378	0.338	0.313
Lombok Timur Regency	0.364	0.359	0.364	0.280	0.274
Sumbawa Regency	0.364	0.356	0.349	0.412	0.406
Dompu Regency	0.304	0.357	0.355	0.360	0.312
Bima Regency	0.383	0.363	0.358	0.381	0.372
Sumbawa Barat Regency	0.366	0.352	0.299	0.397	0.375
Lombok Utara Regency	0.309	0.355	0.345	0.317	0.317
Mataram City	0.399	0.355	0.381	0.429	0.445
Bima City	0.417	0.371	0.375	0.413	0.429

Based on **Table 1**, it is known that income inequality in Nusa Tenggara Barat province fluctuated from 2018-2022. The district/city with the highest level of inequality is Mataram city in 2022 with a gini ratio of 0.445. Meanwhile, the district/city with the lowest level of inequality is Lombok Timur district in 2022 with a gini ratio of 0.274. Economic growth (X1) is one of the factors that affect income inequality. Economic growth can be interpreted as the development of the production of goods and services in a country, such as the increase and the amount of production of industrial goods, the development of infrastructure. increase in the number of schools, increase in service sector production and increase in the production of capital goods.

One indicator used to measure the economic growth of a region in a certain period is the growth rate of Gross Domestic Regional Product (GRDP) at constant prices. The following table presents the growth rate of GRDP at constant 2010 prices in Nusa Tenggara Barat Province by district/city.

Table 2 GDP Growth Rate at Constant 2010 Prices NTB Province by Regency/City in 2018-2022 (%)

District/City Area	Growth Rate of GRDP at Basic Price Constant 2010 (%)				
	2018	2019	2020	2021	2022
Lombok Barat Regency	0.57	3.84	-7.03	3.40	3.46
Lombok Tengah Regency	3.14	4.04	-6.67	4.03	3.55
Lombok Timur Regency	3.40	4.70	-3.12	3.12	3.18
Sumbawa Regency	4.16	4.86	-4.18	1.87	3.21
Dompu Regency	4.38	4.46	-3.21	1.68	2.95

District/City Area	Growth Rate of GRDP at Basic Price Constant 2010 (%)				
	2018	2019	2020	2021	2022
Bima Regency	4.04	4.26	-3.53	1.79	2.83
Sumbawa Barat Regency	-34.57	-1.15	28.79	-0.33	24.14
Lombok Utara Regency	-0.87	5.86	-7.46	1.38	3.49
Mataram City	4.95	5.58	-5.52	3.27	3.53
Bima City	4.70	5.15	-4.95	2.08	2.70

Based on **Table 2**, it can be seen that economic growth in districts / cities in NTB Province has decreased dramatically in 2020, this is due to the pandemic outbreak *covid-19*. However, there was one kabupaten, Sumbawa Barat, that experienced an increase in growth rate. The district/city with the highest economic growth rate was Sumbawa Barat, which amounted to 28.79%. Meanwhile, the district/city with the lowest economic growth rate was Sumbawa Barat, which amounted to -34.57%. Equitable economic growth rates play an important role in reducing income inequality. In addition to economic growth, poverty also affects income inequality. Poverty is one of the problem factors experienced by NTB province. Therefore, poverty is one of the problems that must be resolved together. For more details on poverty data, see **Table 3**.

Table 3. Poverty Rate of Regency/City in NTB Province in 2018-2022 (%)

District/City Area	Poverty Rate (%)				
	2018	2019	2020	2021	2022
Lombok Barat Regency	15.20	15.17	14.28	14.47	13.39
Lombok Tengah Regency	13.87	13.63	13.44	13.44	12.89
Lombok Timur Regency	16.55	16.15	15.24	15.38	15.14
Sumbawa Regency	14.08	13.90	13.65	13.91	13.50
Dompu Regency	12.40	12.25	12.16	12.60	12.40
Bima Regency	14.84	14.76	14.49	14.88	14.50
Sumbawa Barat Regency	14.17	13.85	13.34	13.54	13.02
Lombok Utara Regency	28.83	29.03	26.99	27.04	25.93
Mataram City	8.96	8.92	8.47	8.65	8.63
Bima City	8.79	8.60	8.35	8.88	8.80

Based on **Table 3**, it can be seen that Lombok Utara district has a higher poverty rate than other districts/cities, where in 2018 the poverty rate reached 28.83%, in 2019 it reached 29.03%, in 2020 it fell slightly to 26.99%, in 2021 it rose again to 27.04 and in 2022 it fell again but remained above 20%, namely 25.93%. While the lowest poverty rate is the city of Mataram from 2018 to 2022 the poverty rate is around 8%. The high percentage of poor people in a region results in a decrease in people's purchasing power because their income is low. This situation is exacerbated if the unemployment rate in the region is also high. In addition to economic growth and poverty, the unemployment rate also affects income inequality. Unemployment is a situation where a person who is included in the labor force wants to get a job but has not gotten one. Unemployment is not only a burden on society but also on the government, which has an impact on the family and the environment. For more details, the data on the unemployment rate is presented in **Table 4**.

Table 4 Open Unemployment Rate in NTB Province by Regency/City in 2018-2022 (%)

District/City Area	Open Unemployment Rate (%)				
	2018	2019	2020	2021	2022
Lombok Barat Regency	3.22	3.52	4.58	3.32	4.16
Lombok Tengah Regency	2.98	2.35	3.74	2.33	3.02
Lombok Timur Regency	3.02	3.35	4.17	2.79	1.51
Sumbawa Regency	3.29	2.99	4.01	3.39	2.11
Dompu Regency	3.18	3.04	3.28	3.02	2.50
Bima Regency	4.63	2.79	2.89	1.58	2.28
Sumbawa Barat Regency	3.53	5.29	5.50	5.52	4.56
Lombok Utara Regency	-	1.99	3.01	1.75	0.38
Mataram City	6.49	5.28	6.83	5.19	6.03
Bima City	2.27	4.06	4.42	3.56	3.73

Based on **Table 4** above, it can be seen that the district with the highest unemployment rate is Mataram city with 6.83% in 2020 and the district with the lowest unemployment rate is Lombok Utara district with 0.38% in 2022.

3.2 Descriptive Statistical Analysis Results

Descriptive statistical analysis aims to provide information at a glance about the variables used in the study which can be used to determine the mean, maximum, minimum, standard deviation and the amount of research observations. Based on the results of data processing, the descriptive statistical values of the Income Inequality, Economic Growth and Poverty variables are obtained as follows:

Table 5 Descriptive Statistical Analysis

Parameter	Y	X1	X2	X3
Mean	0.36006	1.879	14.307	3.5112
Median	0.3615	3.195	13.75	3.285
Maximum	0.445	28.79	29.03	6.83
Minimum	0.274	-34.57	8.35	0.38
Std. Dev.	0.04	8.046	5.035	1.314
Observation	50	50	50	50

Based on **Table 5**, it shows that the amount of data used in this study is 50 data taken from the Central Bureau of Statistics of Nusa Tenggara Barat Province in the 2018-2022 period. Income inequality (Y) is the dependent variable used in this study, measuring income inequality using the gini ratio number. Based on table 4.5 income inequality in 2018-2022 with 50 observations, the average or mean value is 0.36006, the maximum inequality value is 0.445 in Mataram city in 2022 and the minimum income inequality is 0.274 in Lombok Timur district in 2022. Meanwhile, the standard deviation of income inequality is 0.04. Economic growth (X1) is an independent variable used in this study, measuring economic growth using data on the GDP rate at constant 2010 prices. Based on table 4.5, economic growth in 2018-2022 with a total of 50 observations obtained an average value (mean) of 1.879% with a maximum economic growth of 28.79% found in Sumbawa Barat Regency in 2020 and a minimum economic growth of -34.57% located in Sumbawa Barat Regency also in 2018. Meanwhile, the standard deviation of economic growth is 8.046%.

Poverty (X2) is an independent variable used in this study, measuring poverty using data on the percentage of the poverty rate. Based on table 4.5, poverty in 2018-2022 with a total of 50 observations obtained an average value (mean) of 14.307% with a maximum poverty value of 29.03% found in Lombok Utara district in 2019 and a minimum poverty rate of 8.35% found in Bima City in 2020. Meanwhile, the standard deviation of poverty is 5.035%. Unemployment (X3) is an independent variable used in this study, measuring unemployment using data on the percentage of open unemployment rates. Based on table 4.5, unemployment in 2018-2022 with a total of 50 observations obtained an average value (mean) of 3.195% with a maximum unemployment value of 6.83% found in Mataram city in 2020 and a minimum rate of poverty of 0.38% found in Lombok Utara district in 2022. Meanwhile, the standard deviation of poverty is 1.314%.

3.3 Panel Regression Model Feasibility Testing

Determination of the feasibility of the panel regression model can be done with 3 tests, namely uji chow, uji hausman and test lagrange multiplier-test. This test is used to help choose the best model to use. The following is the hypothesis in testing each of these tests.

Table 6 Chow Test

Effects Test	Statistic	d.f.	Prob.
Chow Test			
Cross-section F	1.467324	(9,37)	0.1964
Cross-section Chi-square	15.260752	9	0.0840
Hausman Test			
Cross-section random	0.879875	3	0.8303

Based on the results of the data processing above, it is obtained p-value to cross section Chi-square of $0.0840 > 0.005$ so that the results show that H_0 is accepted and H_1 is rejected, meaning that common effect model is more appropriate than fixed effect model to estimate panel data. The next process must go through

Hausman Test. Based on the results of the data processing above p-value by $0.8303 > 0.05$ so the test results show that H_0 is accepted and H_1 is rejected, it can be concluded that random effect model better than fixed effect model for use.

Table 7 Lagrange Multiplier-test

Null (no rand. effect) Alternative	Cross-section		Period
	One-sided	One-sided	Both
Breusch-Pagan	0.519248 (0.4712)	0.031249 (0.8597)	0.550497 (0.4581)
Honda	0.720589 (0.2356)	-0.176774 (0.5702)	0.384535 (0.3503)
King-Wu	0.720589 (0.2356)	-0.176774 (0.5702)	0.252626 (0.4003)
GHM	-- --	-- --	0.519248 (0.4284)

Based on the results of the data processing above p-value sebesar $0.4712 > 0.05$ so the test results show that H_0 is accepted and H_1 is rejected, it can be concluded that common effect model better than random effect model for use.

3.4 Classical Assumption Test Results

To see whether the regression model is normal or not, it can be seen through the histogram graph of residuals which are usually bell-shaped if they have a normal distribution and do the jarque-bera test. The graph of the normality test results can be seen in **Figure 1**.

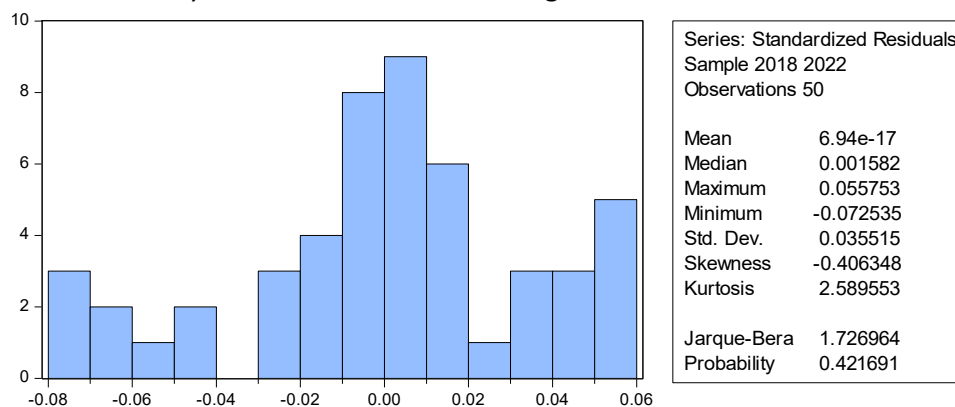


Figure 1 Normality Test

Based on the regression estimation results above, it can be seen that the probability value is $0.421691 > 0.05$, so H_0 is accepted, which means that the residuals are normally distributed. Furthermore, the multicollinearity test results can be seen in **Table 8**.

Table 8 Multicollinearity Test Results

Variable	Coefficient Variance	Uncentered VIF	Centered VIF
C	0.000893	33.22126	NA
X1	4.25E-07	1.060582	1.004676
X2	1.48E-06	12.62953	1.367217
X3	2.16E-05	11.29604	1.363191

Based on the results of data processing, it can be seen that the VIF value of the independent variables is VIF X1, namely 1.004676, VIF X2, namely 1.367217, and X3, namely 1.363191. It can be seen that the VIF value of the three independent variables is smaller than 10, which means that Economic Growth (X1), Poverty (X2) and Unemployment (X3) are not exposed to multicollinearity. This means that economic growth (X1), poverty (X2) and unemployment (X3) do not have a linear relationship in the regression model.

Based on the results of the autocorrelation test, several important parameters are known, namely the number of independent variables ($k = 3$), the number of observations ($n = 50$), the Durbin-Watson (DW) value = 1.592355, the lower limit ($dL = 1.4206$), and the upper limit ($dU = 1.6739$). In addition, the $4-dL$ value is

2.5794 and the 4-dU is 2.3261. To determine the presence or absence of autocorrelation symptoms, the DW value is compared with dL and dU. Based on the decision rule, if DW is smaller than dL or larger than 4-dL, then there is autocorrelation. If DW is between dU and 4-dU, then there is no autocorrelation. If DW is between dL and dU or between 4-dU and 4-dL, the result is uncertain (undecided zone). In this case, the DW value of 1.592355 is between dL and dU, but closer to dL, and not in the zone that indicates autocorrelation. Therefore, it can be concluded that the observation data does not show any symptoms of autocorrelation, so the regression model used is free from autocorrelation problems. While the results of the heteroscedasticity test Prob. Chi square (3) on obs * R-Square is $0.3680 > \alpha$, then the regression model is homoscedasticity or in other words there is no non-heteroscedasticity assumption problem.

3.5 Statistical Criteria Test (Significance Test)

The tests carried out in this study include the t test (partial), and the f test (simultaneous). The following are the results of Common Effect Model which can be seen in **Table 9**.

Table 9. Significance test results

Variable	Coefficient	Std. Error	t-Statistic	Prob.
C	0.381158	0.029878	12.75708	0.0000
X1	-0.000413	0.000652	-0.633791	0.5294
X2	-0.002788	0.001216	-2.293195	0.0265
X3	0.005574	0.004653	1.197982	0.2371
R-squared	0.221888	Mean dependent var		0.360060
Adjusted R-squared	0.171142	S.D. dependent var		0.040262
S.E. of regression	0.036655	Akaike info criterion		-3.697925
Sum squared resid	0.061805	Schwarz criterion		-3.544963
Log likelihood	96.44812	Hannan-Quinn criter.		-3.639676
F-statistic	4.372488	Durbin-Watson stat		1.260672
Prob(F-statistic)		0.008634		

Based on the results of the data processing above, the partial significance test results found that the economic growth variable has a P-value of 0.5294, which is greater than 0.05. With a coefficient value of -0.000413, this test shows that there is no significant influence between economic growth and income inequality in Nusa Tenggara Barat Province in 2018-2022. Meanwhile, the poverty variable has a P-value of 0.0265, which is smaller than 0.05, with a coefficient value of -0.002788. This test shows that there is a significant influence between poverty and income inequality in Nusa Tenggara Barat Province in 2018-2022. Unemployment has a P-value of 0.2371, which is greater than 0.05, with a coefficient value of 0.005574. Therefore, there is no significant influence between unemployment and income inequality in Nusa Tenggara Barat Province in 2018-2022.

Furthermore, based on the simultaneous significance test (F), the test results show a Probability F-statistic value of 0.008634, which is smaller than 0.05. This means that economic growth, poverty, and unemployment variables simultaneously or together have a significant influence on income inequality in Nusa Tenggara Barat Province in 2018-2022. Finally, the coefficient of determination (R^2) test results show that the Adjusted R-Squared value is 0.171142, which means that the effect of economic growth, poverty, and unemployment on income inequality in Nusa Tenggara Barat Province in 2018-2022 is 17.1142%. The remaining 82.8858% is influenced by other variables outside this model.

3.6 Discussion

1. Effect of Economic Growth on Income Inequality

Based on the results of data analysis and hypothesis testing that has been carried out in this study, economic growth has a negative and insignificant relationship with income inequality in Nusa Tenggara Barat Province. This research is in line with Etim and Daramola [16] which states that economic growth has a negative and insignificant effect on income inequality in South African. The results of this study indicate that income inequality in Central Java Province is influenced by the human development index variable. This research is also in line with the research of Alfian et al. [17] which states that economic growth has a negative and insignificant effect on income inequality in Indonesia. Research by Fatihin et al. [18], concluded that the relationship between economic growth and income inequality can be positive and negative, this can occur

because the level of economic growth and gini ratio of each province in Indonesia is relatively different. This means that the size of economic growth does not necessarily affect income inequality. According to Etim and Daramola [16] income inequality is caused by economic conditions in each region that have economic potential with different sectors, these sectors can ebb and flow every year, so the rate of economic growth cannot have a significant effect on income inequality.

2. The Effect of Poverty on Income Inequality

Based on the results of data analysis and hypothesis testing that has been carried out in this study, poverty has a negative and significant relationship with income inequality in Nusa Tenggara Barat Province. This research is in line with Adeleye et al. [19] where poverty has a negative and significant effect on income inequality, if poverty increases by one percent it will reduce income inequality by one unit. The same research by Ningrum et al. [20] where poverty has a negative and significant effect on income distribution inequality in Java. If poverty increases, it will reduce the level of income distribution inequality in Java.

3. Effect of Unemployment on Income Inequality

Based on the results of data analysis and hypothesis testing that has been carried out in this study, unemployment has a positive and insignificant relationship with income inequality in Nusa Tenggara Barat Province. This research is in line with the research of Darodjatun et al. [21] which states that unemployment has no effect on income inequality in Indonesia. This study is also in line with Wahyuningrum and Soesilowati [22] research which states that in 1970 and 1990, unemployment had no influence on income inequality. The results of this study show that any unemployment rate will not affect income inequality. The non-effect of unemployment on income inequality in Indonesia can be caused by policies carried out by the government, such as social assistance from the government in the form of the Family Hope Program (PKH), Non-Cash Food Assistance (BPNT), Prosperous Rice (Rastra), Village Funds, Healthy Indonesia Card (KIS) and Smart Indonesia Card (KIP). The existence of this assistance can ease the burden on the community because the needs of life can be met, although it is still not evenly distributed throughout Indonesia. In addition, the living needs of the unemployed are still largely dependent on working families, and use the assets/savings they have until they get a job and wages.

4. Joint Effect of Economic Growth, Poverty and Unemployment Variables on Income Inequality

Economic growth, poverty, and unemployment variables together have a significant influence on income inequality in Nusa Tenggara Barat (NTB) Province. Inclusive economic growth can create opportunities for all levels of society to participate in economic activities, thereby increasing income and welfare equally. With inclusive economic growth, not only certain sectors develop, but also provide economic benefits to the poor and remote areas, thus reducing income inequality. Effective poverty alleviation also plays an important role in reducing income inequality [1], [23]. Programs designed to improve access to education, health and economic opportunities for the poor can help them break out of the poverty cycle. Successful poverty alleviation not only reduces the number of poor people but also increases their purchasing power and contribution to the economy, thereby narrowing the income gap.

In addition, adequate and quality job creation is key in addressing unemployment, which is one of the main factors of income inequality. A high unemployment rate indicates that many individuals do not have a stable source of income, thus exacerbating economic inequality. Sustainable and inclusive job creation can reduce unemployment, increase household income, and reduce income inequality [24]. Thus, concerted efforts to promote inclusive economic growth, alleviate poverty, and create quality jobs will significantly help reduce income inequality in NTB. Policies that support these three variables holistically can ensure that the benefits of economic development are felt by all levels of society, creating a more equitable and prosperous environment.

4. CONCLUSION

Based on the results of the data analysis, the conclusion is that economic growth has a negative and insignificant effect on income inequality in NTB, with a significant value of 0.2926 and a regression coefficient of -0.000413. This means that every 1% increase in economic growth will reduce income inequality by 0.000413%. Second, poverty has a negative and significant effect on income inequality, with a significant

value of 0.0265 and a regression coefficient of -0.002788. This indicates that every 1% increase in poverty will reduce income inequality by 0.002788%. Third, unemployment has a positive and insignificant effect on income inequality, with a significant value of 0.2371 and a regression coefficient of 0.005574. This means that every 1% increase in unemployment will increase income inequality by 0.005574%. Fourth, simultaneously, economic growth, poverty, and unemployment have a significant influence on income inequality in NTB with an F-probability value of 0.008634. Based on these conclusions, it is expected that the Nusa Tenggara Barat Provincial Government policy can continue to increase economic growth that can be felt by all people. The government needs to intervene by distributing income to the lower middle class through the creation of jobs that are in accordance with their abilities and education levels.

5. AUTHOR DECLARATION

Author contributions and responsibilities - The authors made major contributions to the conception and design of the study. The authors took responsibility for data analysis, interpretation and discussion of results. The authors read and approved the final manuscript.

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