Indonesian Journal of Advanced Research (IJAR)
Vol. 3, No. 11, 2024: 1727 – 1744

Analysis of the Influence of Open Unemployment Rate, Road Infrastructure Development, Inflation, and Economic Growth on Poverty Levels in Mataram City (2010-2023)

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A R T I C L E I N F O

Keywords: Unemployment, Infrastructure, Inflation, Economic Growth, and Poverty

Received : 5, September
Revised : 25, October
Accepted: 26, November

A B S T R A C T

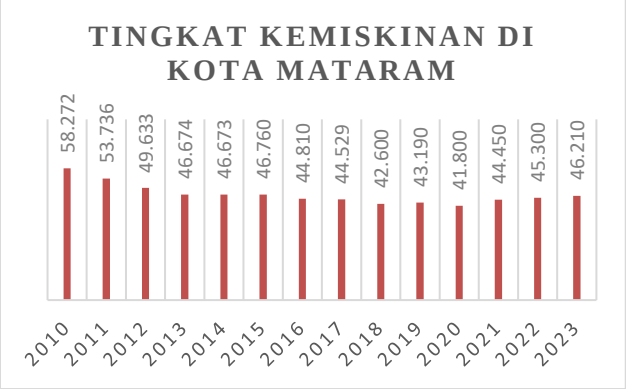
Although economic growth had started to improve at the time due to the World Superbike (WSBK) event being held in Mandalika, the rising poverty rate in Mataram has continued to fluctuate. For example, in 2021, the city's poverty rate increased. Economic growth, inflation, and the construction of transportation infrastructure all partially and concurrently contribute to Mataram City's poverty rate. Descriptive and associative quantitative methods are used in this study. Using multiple linear regression analysis methodologies, secondary and time series data from According to the study's findings, just one factor—inflation—had a substantial impact on the poverty rate in Mataram, whereas the open unemployment rate, road length, and economic growth had no discernible effects. The poverty rate in the city of Mataram is significantly impacted by the open unemployment rate, road length, inflation, and economic growth all at the same time. The development of MSMEs based on the creative economy, the creation of an appropriate city road network that will be more beneficial to the community's economy, targeted fiscal policies to lower the rate of inflation, and other suggestions are some ways the Mataram city government can try to alleviate poverty, and designing the right strategy to optimize foreign trade.

DOI Prefix: https://doi.org/10.55927/ijar.v3i11.12096
ISSN-E: 2986-0768
https://journal.formosapublisher.org/index.php/ijar

INTRODUCTION

A depiction of the population's lack of prosperity is poverty. There are impoverished individuals in practically every Indonesian region. Poverty is a complicated socioeconomic issue that is caused by a number of reasons, including inequality, lack of income due to the difficulty in finding employment, education, and health care. The World Bank's "East Asia and The Pacific Economic Update October 2022" study states that although the poverty rate in Indonesia was supposed to decline between 2011 and 2022, it actually rose from 54 million to 67 million. Up to 13 million people are currently moving into the poverty category. This occurred as a result of the World Bank raising its poverty standards, which are far higher than those of Indonesia (Agus Triono & Sangaji, 2023). A Large-Scale Social Restrictions (PSBB) policy was enforced by the government in 2020 due to the Covid-19 pandemic. Indonesia's negative economic growth in 2020 is evidence of the PSBB's implementation's effects (Ilham & Dian Octaviani, 2024). Giving Direct Cash Assistance to the underprivileged during the COVID-19 pandemic is one way to provide social protection. The economic sector has been particularly affected by the COVID-19 epidemic (Iping, 2020).

Although Mataram City is the capital of NTB province and the hub of economic activity, poverty in the city persists as a significant issue despite development progress. This is because poverty cannot be eradicated by high economic growth alone if it is not accompanied by an equitable distribution of development outcomes. People with low levels of education contribute to poverty in Mataram, which in turn affects the quality of human resources, leads to a shortage of jobs, and ultimately results in a high unemployment rate. The greatest concentration of extremely poor individuals is found in the districts of Ampenan and Sandubaya, according to the Assistant II for Development and Economic Administration of the Mataram City Secretariat. Specifically, Sandubaya District has 5,204 families while Ampenan District has 5,547 families. Therefore, according to the regional quadrant in the Mataram City Regional Poverty Alleviation Plan (RPKD) plan for 2021–2026, these two sub-districts with the highest levels of poverty are the priority locus of intervention.



Source: (BPS KOTA MATARAM) processed 2024

Graph 1. Trend in Poverty Levels

Poverty is one of the problems faced by the city of Mataram. Based on the poverty rate trend above, it shows that during the 2010-2023 period, the development of poverty levels in Mataram City has fluctuated. In 2019 and 2020 the poverty rate was 1.39% and -3.22%, which shows that in 2019 there was an increase in the poverty rate in Mataram City and there was a decrease in the following year. Furthermore, the poverty rate in 2021 and 2022 was 6.34% and 1.92% respectively, indicating a significant increase in 2021 and at the same time as the Covid-19 outbreak. The factor causing the increase in poverty during Covid-19 is that the city of Mataram is engaged in the service, trade and transportation sectors. At that time many hotels, shopping centers, entertainment and others were temporarily closed and of course had a great impact on the economy in the city of Mataram at that time. In 2020 the poverty rate in Mataram City was followed by negative economic growth which was one of the impacts of the Covid-19 outbreak which also had an impact on the increase in inflation and open unemployment in Mataram City.Although at the end of the year economic conditions improved slightly due to the World Superbike (WSBK) event in Mandalika, but it has not been able to prevent the increase in poverty rates in the city of Mataram (Irwan Suriadi et al., 2021).

According to earlier research by M. Mujahid Shaleh, Syahrir Mallongi, and Zainuddin Rahman (2021), unemployment has a negligible and positive impact on poverty levels, whereas GDP and the human development index have a negligible and negative impact. The findings of Arya Umbu Djuma Mone Mangi and Marseto's (2023) study indicate that while economic growth has a significant and negative impact on poverty, the unemployment rate has a significant and positive influence, while inflation has an insignificant and positive influence. According to research by Arief Ariyanto Ahmad and Baso Iwang (2020), poverty was negatively and significantly impacted by educational attainment, but poverty was unaffected by population size, GDP, or inflation.

The relationship between the variables of road infrastructure development and the level of poverty is not covered in research pertaining to the examination of the elements generating poverty above. According to Canning and David's argument (2004:11), road infrastructure development has a connection to poverty since improved access can lower living expenses, boost income, and create possibilities for the impoverished to gain from economic expansion.

Under the heading "Analysis of the Influence of Open Unemployment Rate, Road Infrastructure Development, Inflation and Economic Growth on Poverty Levels in Mataram City (2010-2023)," this study makes use of the variable of road infrastructure development. This study aims to determine whether the unemployment rate, inflation, economic growth, and road infrastructure improvement all partially or simultaneously affect Mataram City's poverty rate.

LITERATURE REVIEW

Poverty

Zakaria (2018:26) distinguishes three definitions of poverty: (1) People who live above the poverty line but nevertheless fall short of the capabilities of their community are considered to be in relative poverty. (2) Those who live in poverty due to a lack of efforts to change their situation are said to be experiencing cultural poverty. (3) A large proportion of persons who lack the means necessary to achieve their fundamental necessities are considered to be in absolute poverty. In general, poverty is defined by BPS (2011) as a state in which an individual or group of individuals is unable to fulfill their fundamental rights to uphold and advance a dignified existence. Nurkse (1953:123) asserts that "a poor country is poor because it is poor" as part of his vicious circle theory of poverty. According to the Poverty Devilish Circle theory, low productivity results in low income because of these three factors: underdevelopment, market flaws, and a lack of capital. Low income leads to low investment and savings, which in turn leads to underdevelopment. Sukirno (2006:87) asserts that unemployment will lower people's incomes, which will lower the community's degree of prosperity, and that poverty will result from a reduced level of prosperity. Low health, low education, a lack of work prospects, and isolation are some of the variables that contribute to the development of poverty issues, according to Kartasamita (1996:240). From an economic standpoint, Kuncoro (2006:209) identifies three causes of poverty: first, unequal patterns of resource ownership are the root cause of poverty. Second, disparities in human resources lead to poverty. Third, disparities in access to capital ownership lead to poverty. From an economic standpoint, Kuncoro (2006:209) identifies three causes of poverty: first, unequal patterns of resource ownership are the root cause of poverty. Second, disparities in human resources lead to poverty. Third, disparities in access to capital ownership lead to poverty.

Unemployment

According to Sukirno (2006:13), the amount of workers in the economy who are actively seeking employment but have not yet found one is known as unemployment. Sukirno (2006:87) asserts that unemployment will lower people's incomes, which will lower the community's degree of prosperity, and that poverty will result from a reduced level of prosperity. The high unemployment rate and poverty have a very close link, claims Arsyad (2010:289). People who only work part-time or don't have a stable employment are typically considered to be extremely impoverished. The study's findings indicate that poverty levels are positively and significantly impacted by unemployment (Prasetyoningrum & Sukmawati, 2018). This study contradicts the results of a study from Hilmi et al., (2022) which states that unemployment has a negative and insignificant effect on poverty levels.

H1=Unemployment affects poverty levels

Infrastructure

According to Mankiw (2003:38) in terms of economics, infrastructure is a form of public capital which includes bridges, public roads, sewer systems, and others as a form of investment implemented by the government. According to Mulyo (2018:2), the benefits of infrastructure include increasing connectivity between regions or countries, increasing the productivity of a country, increasing the efficiency of natural resource allocation, accelerating the equitable distribution of development results of a region or country, encouraging new investment that enters the territory of a country that has complete infrastructure. Canning and David (2004:11) said that better access will be able to reduce the cost of living, increase income and open up opportunities for the poor to benefit from economic growth. The results of the study show that road infrastructure has a negative and significant effect on poverty (Fardilla & Masbar, 2020). This study contradicts the results of a study from Monoarfa et al., (2022) that road infrastructure development does not have a significant effect on poverty levels and is accompanied by a positive influence.

H2 = Infrastructure affects poverty levels

Inflation

Boediono (2001:161) said that inflation is a general and continuous trend of price increases. An increase of one or two goods cannot be called inflation, unless the increase is followed by an increase in all types of goods. The impact of inflation causes the real value of the currency to decline so that people's purchasing power will also decrease. Sukirno (2020:333) explained that the government's long-term goal to control the inflation rate to keep it low because high inflation rates had several adverse effects before the crisis, including declining production and investment, declining levels of economic activity, increasing unemployment, and the country's inability to compete in the market. According to Sukirno (2000:309), the lower the unemployment rate, the higher the inflation rate. So it is not easy to create full labor utilization and price stability at the same time. The results of the study show that inflation has a positive and significant effect on poverty levels (Ningsih & Andiny, 2018). This study contradicts the results of research from Manangkalangi et al., (2020) which stated that inflation has a positive and insignificant effect on poverty levels.

H3=Inflation affects poverty levels

Economic Growth

Economic growth, according to Suryana (2000:5), is the result of rising GDP (Gross Domestic Product), whether or not this growth is larger than population growth and whether or not the economy's structure changes. Sukirno (2013:25) asserts that economic expansion is a prerequisite for reducing poverty. The condition refers to the growth's ability to effectively lower poverty. This implies that all income groups, including the impoverished, should benefit equally from growth (growth with equity). According to Jhingan (2004:67), a nation's capital, business, technology, human resources, and natural resources all have an impact on its economic growth. The study's findings demonstrate that

poverty levels are positively and significantly impacted by economic growth (Ishak et al., 2020). This study runs counter to Nainggolan's (2020) findings, which indicate that economic expansion has a negligible yet favorable impact on poverty levels.
H4=Economic growth affects poverty levels

Conceptual Framework

Sukirno (2006:87) asserts that unemployment will lower people's incomes, which will lower the community's degree of prosperity, and that poverty will result from a reduced level of prosperity. According to Canning and David (2004:11), improved access can lower living expenses, boost income, and create chances for the underprivileged to gain from economic expansion. According to Sukirno (2020:333), the government's long-term objective is to keep inflation low because, prior to the crisis, high inflation rates had a number of negative effects, such as a decline in investment and production, a decline in economic activity, a rise in unemployment, and the incapacity of the nation to compete in the market. Sukirno (2013:25) asserts that economic expansion is a prerequisite for reducing poverty. The condition refers to the growth's ability to effectively lower poverty. This implies that all income groups, including the impoverished, should benefit equally from growth (growth with equity). The conceptual framework can be explained as follows based on the previous description:

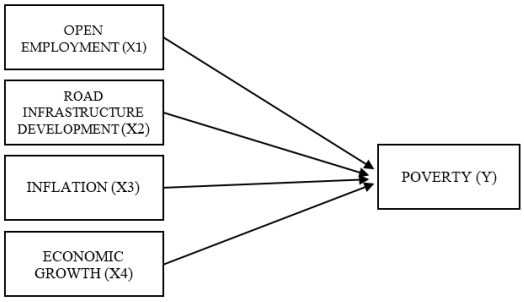


Figure 1. Conceptual Framework

According to Sugiyono (2014:213) the definition of a hypothesis is a temporary answer to the formulation of a research problem, therefore the formulation of a research problem is usually arranged in the form of a question sentence. Thus, the research hypothesis can be concluded as a provisional answer to the research problem, until it is proven through the data that has been successfully collected and must be tested empirically. Hypotheses are formulated on the basis of a framework of thought that is a provisional answer to the problem formulated. This study proposes the following hypotheses:

1. H_1=Unemployment affects poverty levels
2. H_2= Infrastructure affects poverty levels
3. H_3=Inflation affects poverty levels
4. H_4=Economic growth affects poverty levels

METHODOLOGY

This study uses a descriptive and associative quantitative approach. The types of data used are secondary data and time series data. Secondary data consists of the Open Unemployment Rate, Road Infrastructure Development, Inflation, Economic Growth and Poverty Rate in Mataram City from 2010-2023 which is sourced from the Mataram City BPS.

The analysis technique used is multiple linear analysis using the eviews program 12.The multiple linear equation model for the sample is as follows:

POVERTY = a + b1TPT + b2PJ + b3INFLASI + b4PE + e

Information :

POVERTY : Poverty rate (in thousands)
a : Constant
b1, b2, b3, b4 : Regression Coefficient
TPT : Open Unemployment Rate (in thousands)
PJ : Length of the road (City road in KM)
INFLASI : Inflation (in percent)
PE : Economic Growth (in percent)
e : Bugger Errors

Classical Assumption Test

Classical assumption tests are performed before hypothesis testing, to find out whether the equations in the regression model are economically acceptable. Classic assumption testing is performed with the following tests:

1. Normality test
   To test whether the residual tilapia that has been standardized in the regression model is normally distributed or not. Residual values are said to be normally distributed if the standardized residual values are mostly close to their average values. The data is said to be normally distributed, if the significance value > 0.05, then the residual value is normally distributed. On the other hand, if the significance value < 0.05, then the residual value is not normally distributed (Sihabudin et al., 2021:75-76).

2. Multicollinearity test
   Determining whether the independent variables in the regression model are correlated is the goal of the multicollinearity test. There should be no multicollinearity (correlations between independent variables) in a decent regression model. The independent variables are not orthogonal if there is a correlation between them; this is the case when the correlation value between the independent variables is zero. According to Sihabudin et al. (2021:141), multicollinearity does not arise if the VIF value (infloating factor variant) is less than 10.00. Conversely, if the VIF value is larger than 10, multicollinearity symptoms are present in the investigated data.

3. Heteroscedasticity test
   To find out whether there is a deviation from the classical assumption of heteroscedasticity, namely the existence of variant inequality from residual for all observations in the regression model (Sihabudin et al., 2021:126). When the test results show a probability value of F, count > 0.05, it means that there are no heterokedasticity symptoms in the data, and vice versa, if the probability value F is calculated < 0.05, it means that heterokedasticity symptoms occur (Kusumaningtyas et al., 2022:98).

4. Autocorrelation test
   The purpose of the autocorrelation test is to see if there is a relationship between the residuals of one observation and the residuals of other observations. Autocorrelation problems are more likely to arise in time series data and can also appear in cross section data, because when viewed from the nature of time series data, current data is influenced by past data. The probability value of F is calculated < 0.05, which means that autocorrelation occurs. If the probability value of F is calculated > 0.05, then no autocorrelation occurs (Kusumaningtyas et al., 2022:90-95).

Hypothesis Test

Determination coefficient test

The determination coefficient test is generally used to determine the compatibility of a model. If R2 is getting larger or closer to 1, then the model is more accurate (Sihabudin et al., 2021:93).

Test F (Simultaneous Test)
Ho : Model No Fit/ No Variables Affect
H1 : FIT model/ at least 1 independent variable that influences
α = 0.05 Because the sign.prob value F = 0.000 < alpha (0.05), it rejects Ho and concludes that the model is fit/ at least 1 influential variable (Sihombing, 2022:28)

Test t (Partial Test)
Ho : The ith independent variable has no effect
H1 : The ith independent variable has an effect
α = 0.05
Because the sign.prob value t = 0.000 < alpha (0.05), it is rejected Ho and it is concluded that the independent variable has a significant effect (Sihombing, 2022:29).

RESEARCH RESULT

Multiple Linear Regression Output Estimation Results

Based on the results of the double linear output estimation on the eviews 12 program as follows:

Multiple Linear Regression Analysis

Table 1. Multiple Linear Regression Test Results

Dependent Variable: KEMISKINAN
Method: Least Squares
Date: 10/01/24 Time: 00:51
Sample: 2010 2023
Included observations: 14

Variable	Coefficient	Std. Error	t-Statistic	Prob.
C	58.08769	15.90687	3.651736	0.0053
TPT	0.420178	0.818265	0.513498	0.6200
PJ	-0.056875	0.036613	-1.553404	0.1547
INFLASI	0.774134	0.334821	2.312081	0.0461
PE	-0.173996	0.258953	-0.671923	0.5185

R-squared	0.798556	Mean dependent var	46.75979
Adjusted R-squared	0.709025	S.D. dependent var	4.477825
S.E. of regression	2.415434	Akaike info criterion	4.874088
Sum squared resid	52.50889	Schwarz criterion	5.102323
Log likelihood	-29.11862	Hannan-Quinn criter.	4.852961
F-statistic	8.919336	Durbin-Watson stat	1.934795
Prob(F-statistic)	0.003395		

Source: Results of Data Processing with Eviews 12

The constant value is 58.08769, the TPT coefficient value is 0.420178, the PJ Coefficient value is -0.056875, the inflation coefficient value is 0.774134, the PE coefficient value is -0.173996, which is arranged into a multiple linear equation model as below:

POVERTY = 58.08769 + 0.420178 TPT - 0.056875 PJ + 0.774134 INFLATION - 0.173996 PE

The interpretation of the results of the multiple linear equation model is as follows:

1. The constant value of 58.08769 if rounded to 58.088, means that when the free variables of TPT, PJ, INFLATION and PE are valued = 0, then the poverty level is worth 58,088 people.
2. The value of the TPT coefficient is 0.420178 if rounded to 0.420, meaning that when the TPT increases by 1%, poverty will increase by 420 people.
3. The value of the PJ coefficient is - 0.056875 if rounded to -0.057, meaning that when the PJ increases by 1 KM, the poverty level will be reduced by 57 people.
4. The value of the inflation coefficient is 0.774134 if rounded to 0.774, which means that if inflation increases by 1%, the poverty rate will increase by 774 people.
5. The value of the PE coefficient is - 0.173996 if rounded to -0.174 which means that when the PE value is increased by 1%, the poverty rate will be reduced by 174 people.

Coefficient of Determination Test

In the table above, the result of Adjusted R-squared is 0.709 or 70.9% which means that all independent variables including TPT, PJ, inflation, and PE

affect the poverty variable by 70.9% while the remaining 29.1% is influenced by other variables that are not included in the model, namely the capital level variable in accordance with Nurkse's theory that the level of capital affects poverty, health level, and the level of education is in line with the theory of kartasamita.

Test F (Simultaneous Test)

Based on the table above, it is known that the Prob(F-statistic) value = 0.003395 < 0.05, then reject Ho and accept H1, so it can be concluded that the variables TPT, PJ, INFLATION and PE have a significant and simultaneous effect (simultaneously) on the poverty variable.

Test t (Partial)

If the sign.prob value t = 0.000 < alpha (0.05), then reject Ho and conclude that the independent variable has a significant effect. The results of hypothesis testing are partially summarized in table 2 below.

Table 2. Summary of Partial Hypothesis Testing Results

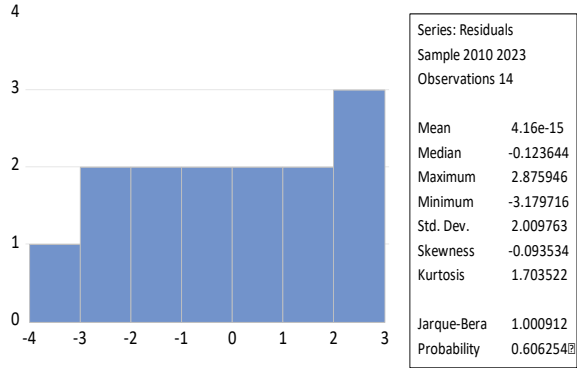
Research Hypothesis		Influence (β)	*p-value* <*0,05*	Criterion	Conclusion
H_1	H_0:*P*=0 This means that the variable of the open unemployment rate has no effect on the poverty level in the city of Mataram. H_2 :*P* ≠0 This indicates that Mataram's poverty rate is influenced by the open unemployment rate variable.	0,420178	0,6200	Insignificant	H_1 rejected There is no significant effect between the open unemployment rate and the poverty rate in the city of Mataram
H_2	H_0:*P*=0 This means that the variable of road length has an influence on the poverty level in the city of Mataram. H2 :P ≠0 indicates that the road length variable affects the city of Mataram's poverty rate.	-0,056875	0,1547	Insignificant	H_2 rejected There is no significant effect between road length and poverty rate in the city of Mataram

H_3	H_0:*P*=0 This means that the inflation variable has no influence on the poverty level in the city of Mataram. H_2 :*P* ≠0 This means that the inflation variable has an influence on the poverty level in the city of Mataram	0,774134	0,0461	Significant	H_3 Accepted There is a significant influence between inflation and poverty levels in the city of Mataram
H_4	H_0:*P*=0 This indicates that the degree of poverty in the city of Mataram is unaffected by the economic growth variable. H_2 :*P* ≠0 This indicates that the degree of poverty in the city of Mataram is influenced by the economic growth variable.	-0,173996	0,5185	Insignificant	H_4 rejected There is no significant influence between economic growth and poverty levels in the city of Mataram

Classical Assumption Test

Normality Test

Based on Figure 1 from the results of the normality test of the Jarque-Berra method, the probability value is 0.606254 > 0.05, so it can be concluded that the data is distributed normally.



Source: Results of Data Processing with Eviews 12

Figure 2. Results of the Normality Test

Autocorrelation Test

Based on table 2, the results of the autocalization test obtained a Prob.Chi-Square(2) value of 0.6046 > 0.05, which means that there are no autocorrelation symptoms in the time series data used.

Table 3. Autoalignment Test Results

Breusch-Godfrey Serial Correlation LM Test:
Null hypothesis: No serial correlation at up to 2 lags

F-statistic	0.271096	Prob. F(2,7)	0.7702
Obs*R-squared	1.006431	Prob. Chi-Square(2)	0.6046

Source: Results of Data Processing with Eviews 12

Multicollinearity Test

From table 3, the results of the multicollinearity test can be seen that there are no symptoms of multicollinearity between independent variables (TPT, PJ, INFLATION, and PE) because the Centered VIF value of each independent variable does not exceed 10.

Table 4. Multicollinearity Test Results

Variance Inflation Factors
Date: 10/01/24 Time: 00:52
Sample: 2010 2023
Included observations: 14

Variable	Coefficient Variance	Uncentered VIF	Centered VIF
C	253.0285	607.1655	NA
TPT	0.669558	63.91081	3.621650
PJ	0.001341	256.6915	4.761531
INFLASI	0.112105	7.937341	2.262816
PE	0.067056	16.52647	3.913563

Source:Results of Data Processing with Eviews 12

Heterokedasticity Test

From table 4, the results of the heterokedasticity test obtained the prob value. Chi-Square of 0.8916 > 0.05, it can be concluded that there is no heterokedasticity problem or homokedasti data.

Table 5. Heterokedasticity Test Results

Heteroskedasticity Test: Glejser
Null hypothesis: Homoskedasticity

F-statistic	0.195019	Prob. F(4,9)	0.9349
Obs*R-squared	1.116665	Prob. Chi-Square(4)	0.8916
Scaled explained SS	0.460148	Prob. Chi-Square(4)	0.9773

Source: Results of Data Processing with Eviews 12

DISCUSSION

1. ***The Effect of Open Unemployment Rate on Poverty Levels in Mataram City***

The open unemployment rate and the poverty rate in the city of Mataram had a positive and negligible relationship, according to the multiple linear regression test results. In contrast to the findings of the research by Karimah et al. (2024), which indicated that the open unemployment rate has a significant and positive effect on the poverty rate, the findings of the study by Aini & Nugroho (2023) support the findings of this study by finding that the open unemployment rate has a positive and insignificant effect on the poverty rate.

The aforementioned studies' findings that unemployment has a positive impact on poverty levels indicate that poverty rises whenever unemployment rises, despite both significant and insignificant evidence supporting Sukirno's (2006:87) theory that unemployment lowers people's incomes, which in turn lowers the level of community prosperity, where poverty results from a lower level of prosperity.

One strategy used by the government to combat unemployment, poverty, and unequal income distribution is the empowerment of Micro, Small, and Medium-Sized Enterprises (MSMEs). Small company development is currently one of the government's preferred initiatives due to the strategic significance that MSMEs play in the economy and their limited capacity to grow (Andiny & Nurjannah, 2018).

2. ***The Influence of Road Infrastructure Development on Poverty Levels in Mataram City***

Road infrastructure development and poverty level in the city of Mataram have a negative and negligible relationship, according to the multiple linear regression test results.In contrast to Fardilla and Masbar (2020), who found that road infrastructure development has a negative and significant impact on poverty levels, Monoarfa et al. (2022) support the study's findings that road infrastructure development has a positive influence and no discernible impact on poverty levels.

The findings of the research are in line with the results of the study which states that the development of road infrastructure has a negative effect and is not in line with the results of the study which states that road infrastructure has a positive influence on the poverty rate with the theory of Canning and David (2004:11) who say that better access will be able to reduce the cost of living, increase income and open up opportunities for the poor to earn benefits from economic growth.

The government's efforts to ensure that the community can meet its needs properly, so the community needs to get easy access to activity locations. This access can be fundamentally improved through 2 complementary ways, namely: (1) placing the right various basic facilities and services needed by the community (non-transportation intervention) and (2) improving people's mobility so that they can travel faster, cheaper,

more comfortable, and safer (transportation intervention). Therefore, the transportation approach is an effort to overcome urban poverty (Ardianta Kurniawan & Taufik Mulyono, 2005).

3. ***The Effect of Inflation on Poverty Levels in Mataram City***

The results of the multiple linear regression test show that there is a positive and significant influence between inflation and poverty levels in the city of Mataram.The findings of this study are supported by the research of Simanungkalit (2023) where the results of the study found that inflation has a significant and positive effect on the poverty rate, but it is different from the results of the research of Susanto & Pangesti (2021) which states that inflation has a positive and insignificant effect on the level of poverty in the city of Mataram. poverty.

The findings of the above research that inflation has a positive and significant and insignificant effect on poverty levels show that the theory according to Sukirno (2020:333) that high inflation rates have several adverse effects before the crisis, including a decline in production and investment, a decrease in the level of economic activity, an increase in unemployment, and the country's inability to compete in the market. Because investment is development capital to improve people's welfare, so if investment is low, poverty will appear. To overcome the inflation problem, the government should carry out fiscal policies that are able to reduce the rate of inflation but do not cause an increase in unemployment, such as by spending on infrastructure and other expenditures that are able to create investment (Astuti et al., 2019).

4. ***The Effect of Economic Growth on Poverty Levels in Mataram City***

Economic growth and poverty levels in the city of Mataram have a negative and negligible relationship, according to the multiple linear regression test results.This study's conclusions are corroborated by research by Aini & Nugroho (2023), which found that economic growth has a negative and negligible impact on the poverty rate. However, this research differs from that of Ashari & Athoillah (2023), which found that economic growth has a significant and positive impact on poverty levels.

Both positive and negative effects, as well as substantial and insignificant effects, are found in the results of the aforementioned research regarding the relationship between economic growth and poverty levels. According to Sukirno (2013:25), the finding supports the hypothesis that economic growth is a prerequisite for reducing poverty. The condition refers to the growth's ability to effectively lower poverty. This implies that all income groups, including the impoverished, should benefit equally from growth (growth with equity). The reason why the outcomes of economic development remain unequal among communities is due to the impact of good economic growth on poverty levels and vice versa.

Strategies for import and export policies are important for promoting economic expansion. The government must create the best plan to maximize the potential of foreign commerce in order to boost the home economy in the face of globalization and international market rivalry (Rochani et al., 2024).

CONCLUSIONS AND RECOMMENDATIONS

A number of factors, including the open unemployment rate, the development of road infrastructure, inflation, and economic growth, all have a significant impact on the poverty rate in the city of Mataram. However, at the same time, only one of these factors—inflation—has a significant impact on the poverty rate. Up to 29.1% of the poverty rate in the city of Mataram is impacted by variables not included in the model, according to the R2 value of 70.9% and the remaining 29.1%.

The development of MSMEs based on the creative economy, the creation of a city road network that is more optimal in delivering benefits to the community's economy, targeted fiscal policies to lower the rate of inflation, and the creation of an appropriate strategy to maximize foreign trade are some suggestions that the Mataram city government can make in an attempt to alleviate poverty.

ADVANCED RESEARCH

There are undoubtedly limitations to all research. Limitations might be external to the research, such as time and resource constraints, or they can be research limitations that impact the researcher's capacity to examine the data under study. Therefore, more research is required to make this study excellent.

ACKNOWLEDGMENT

We would like to express our gratitude to the ranks of the Faculty of Economics and Business, especially the Head of the Department of the Faculty of Economics and Business, University of Mataram for providing the opportunity to conduct this research. Hopefully this research can be useful for the academic world and the government in making policies regarding poverty problems in the city of Mataram.

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