



UNIVERSITAS ANDALAS

**ANALYSIS OF FACTORS THAT INFLUENCE HOUSEHOLD POVERTY IN
INDONESIA**

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PADANG

2022

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Submitted to the Department of Economics on September 22, 2022 in partial fulfillment of the requirement for the degree of Bachelor of Economics

ABSTRACT

The measurement of multidimensional poverty is considered to better reflect the real situation of the poor and can answer the call to better measure the development of poverty alleviation, especially towards the Sustainable Development Goals (SDGs). This research is the study analyzed factors that influence multidimensional poverty in Indonesia using secondary data (Susenas 2019) from BPS. First of all, this study used 3 dimensions (health, education, and standard quality of life) and 10 indicators (healthiness, health insurance, literacy rate, last education, condition of floor, condition of closet, access to drinking water, electricity, cooking fuel, and vehicle) to find out the total deprivation score of multidimensional poverty by Alkire-Foster method. Then, this study used dependent variable (poverty) and explanatory variables (credit, saving, and internet) to analyzed the factor that influence the multidimensional poverty by Blinder-Oaxaca decomposition. Based on the result of data processing, the construction of MPI in Indonesia was 6,2% and the average deprivation scores is equal to 0,41. Then, the poverty in urban is greater than rural area. There are variables that has negative correlation into poverty namely internet and saving with significant influences, its mean there is a decreasing in poverty when internet and saving increase, meanwhile credit have positive correlation insignificant influence toward poverty, its mean there is no influence between credit into the decreasing of poverty.

Keyword : Poverty, Alkire-Foster, Blinder-Oaxaca Decomposition

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