

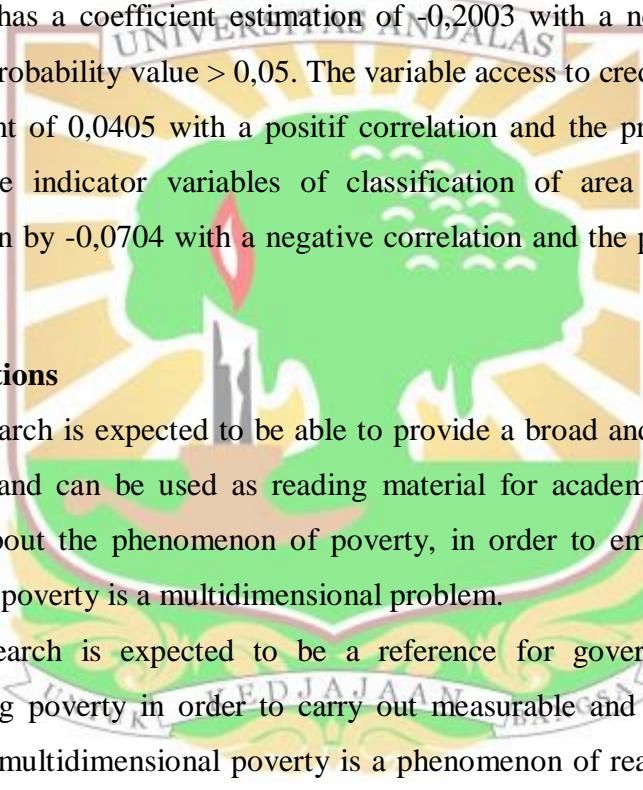
## **CHAPTER 5**

### **CONCLUSION**

#### **5.1 Summary**

In this research, the topic that conducted is about factors that influence the household poverty in urban and rural area in Indonesia in 2019. Starting from the find out the total of weight (cut-off score) by Alkire-Foster method and decomposes poor household in rural and urban area by using Blinder-Oaxaca decomposition method.

1. The results of the analysis of the multidimensional poverty index construction Alkire-Foster method with health dimensions (indicators: health complaints and health insurance), education dimensions (indicators: literacy rate and last education), and dimensions of quality of life standards (indicators: floor conditions, closet conditions, access to drinking water, ownership of electricity, cooking fuel, and vehicle ownership) in this study, the multidimensional poverty rate in Indonesia in 2019 was 6,2%.
2. From the 191.836 total household samples, 57.091 individuals were deprived and 134.745 individuals were not deprived. Based on data analysis, the average cut-off score of deprived individuals was 0,33 with the minimum score being 0,31 and the maximum score being 0,82. Then, the average cut-off score of non-deprived individuals was 0,12 with the minimum score being 0,00 and the maximum score being 0,28.
3. The results of the Blinder-Oaxaca decomposition analysis showed that the multidimensional poverty rate based on the classification of residential areas in rural areas was 102.225 people and in urban areas as many as 89.611 people from a total sample of 191.836 inhabitants. As for the average for each population in rural and urban areas is 0.1696 for rural areas and 0.2406 for urban areas with a difference of 0.0709 rural residents greater than urban residents.

- 
4. In the analysis of the effect of access to credit, internet, and savings variables using the linear regression model on the Blinder-Oaxaca decomposition of the deprived individuals in Indonesia in 2019, there are two variables that affect multidimensional poverty with insignificant influence, namely access to the internet and savings. Meanwhile, the variable access to credit does not affect multidimensional poverty with insignificant influence.
5. The variable access to the internet has a coefficient estimation of -0,1074 with a negative correlation and the probability value  $> 0.05$ . Savings ownership variable has a coefficient estimation of -0,2003 with a negative correlation and the probability value  $> 0.05$ . The variable access to credit has a estimation coefficient of 0,0405 with a positif correlation and the probability value  $> 0.05$ . The indicator variables of classification of area has a coefficient estimation by -0,0704 with a negative correlation and the probability value  $< 0.05$ .

## 5.2 Recomendations

1. This research is expected to be able to provide a broad and measurable point of view and can be used as reading material for academics or the general public about the phenomenon of poverty, in order to emphasize more that basically poverty is a multidimensional problem.
2. This research is expected to be a reference for government policies in alleviating poverty in order to carry out measurable and directed planning. Because multidimensional poverty is a phenomenon of real circumstances in the midst of society that describes a person's resources and access to meet the needs of daily life. So that by knowing the root of the problem, policies will be more targeted in alleviating poverty.
3. For the next study, the researchers are expected to add and adjust the variables to be studied according to the characteristics of the research location and the time span of the study into the multidimensional poverty analysis. So that the

scope of the research becomes more in-depth and can also adjust to the latest conditions when the research is carried out.

