



UNIVERSITAS ANDALAS

**ANALYSIS PANEL VECTOR ERROR CORRECTION (PVECM) MODEL IN
HUMAN QUALITY, UNEMPLOYMENT, ECONOMIC GROWTH ON
POVERTY IN PAPUA PROVINCE**

UNDERGRADUATE THESIS

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Abstract

This study aims to analyze the effect of human quality, unemployment and economic growth on poverty in Papua Province by using secondary data in 2010-2023 obtained from the Central Bureau of Statistics. This study uses Panel Vector Error Correction Model (PVECM) model, it fulfills the requirements in using PVECM, namely stationary data at the first level, determining the optimal lag length using the first lag, data stability, cointegrated to see short-term and long-term relationships, granger causality to see the relationship of each variable in two ways or casual ways, IRF and VD. The exogeneous variables in this study are human quality, unemployment and economic growth while the endogenous variable in this study is poverty. The results showed that human quality, unemployment, economic growth do not significantly affect poverty in the short term, but in the long term the relationship of human quality on poverty in the long term is negative and significant, while unemployment on poverty have a negative and significant effect and the relationship of economic growth on poverty is positive and significant.

Keywords: Human Quality, Unemployment, Economic Growth, Poverty, PVECM.

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