



## The Effect of Education Performance on Poverty in Indonesia

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### ABSTRACT

This study uses a quantitative approach with a panel data regression analysis method. The data used are secondary data from 38 provinces in Indonesia during the 2015–2024 period (380 observations), which are sourced from the Central Statistics Agency (BPS). The selection of the best model is carried out through the Chow Test, Hausman Test, and Lagrange Multiplier Test, which results in the Random Effect Model (REM) as the most appropriate model to use.

Based on the results of the study, it shows that simultaneously, all variables of educational performance have a significant effect on poverty in Indonesia with an adjusted R<sup>2</sup> value of 88.58%. Partially, the Literacy Rate (AMH) has a negative and significant effect on poverty, where every 1% increase in AMH will reduce the poverty rate by 3.37%. School Participation Rate (APS) also has a negative and significant effect, where every 1% increase in APS will reduce poverty by 0.28%. Meanwhile, the Average School Length (RLS) shows a negative but not significant effect on poverty, indicating that the quantity of education alone is not enough without being balanced with improving the quality and relevance of education to the needs of the labor market.

## INTRODUCTION

Poverty is one of the main problems of the economy so it is complex and very difficult to overcome. This condition causes individuals to be unable to meet their living needs, there are various factors that can cause a person to fall into poverty. In Indonesia, poverty is also a serious obstacle to national development, impacting various dimensions of daily life, including access to education for children. The purpose of this study is to analyze the influence of poverty on the learning process by descriptive method and utilize data that has been collected previously. The findings of the study show that poverty plays a role in limiting children's aspects of education and has a multidimensional impact, including increasing crime, health marketing, unemployment, social conflicts and inequality in education services. Handling this problem requires a direct and indirect approach, including through the implementation of social programs that are right on target as a result of Indonesia's poverty efforts. (TNP2K, 2021)

Poverty is a situation when an individual or group of individuals experiences limitations in accessing various economic, social, and political resources that are essential to meet their basic needs. These are limited access to food, education, shelter and health services. This poverty is often measured by indicators of low income, but it also includes deficiencies in quality of life, such as poor health conditions and low levels of education. Poverty can be absolute, meaning that individuals are unable to meet their basic needs, or relative, where individuals are in much worse conditions compared to the standards of the surrounding society. (Central Statistics Agency, n.d.)

Poverty is one of the factors that affects the distribution of income, because the distribution of income is one of the measurements of relative poverty. There are two categories of poverty levels, namely relative poverty and absolute poverty. Absolute poverty is a condition in which a person is unable to meet his basic needs such as clothing, food, board, education and health or in other words his income is insufficient to cover his living expenses. Meanwhile, relative poverty is the calculation of poverty based on the proportion of income in a region or region (Sukirno, 2013) (RIs et al., 2023)

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Poverty is not only an individual problem but also a structural problem that is influenced by economic, social and political aspects. An unequal economic system, social injustice, and inclusive political policies can exacerbate poverty. In addition, poverty often exacerbates itself due to a lack of access to education and better employment opportunities, thus creating a cycle of poverty that is difficult to break. To effectively address poverty, a comprehensive and integrated approach is needed, including social and economic reforms designed to improve well-being and opportunities for all members of society.

Sharp, et al. (in Kuncoro, 2006) identified three causes of poverty from an economic perspective. First, poverty grows due to the unequal distribution of income caused by differences in resource ownership. Second, poverty exists because of differences in the quality of human resources. Third, poverty arises due to differences in access to capital. Factors that can affect the poverty level in an area include the quality of human resources that can be improved through education. Education is the process by which a person's behavior, attitudes, or bad habits change for the better through the process of teaching. With the teaching process, it is hoped that it can produce superior human resources and be able to compete in work competencies (Nalle, 2019). The higher the education taken, the better the quality of human resources. One indicator that can be used to observe how high the level of education of the population in an area is by looking at the average number of school years. As for what can affect poverty, it is inequality. (Putri, 2022)

The relationship between poverty in average length of school is negative and cyclical poverty limits access to quality education, thereby lowering the average length of schooling, while low average length of school limits job opportunities and higher incomes, which in turn reinforces poverty, this creates a vicious circle where poverty makes it difficult for education, and poor education maintains poverty.

The vicious circle of poverty can be illustrated from three perspectives: the demand side, the supply side, and the underdevelopment of humans and natural resources. On the demand side, low worker productivity leads to low incomes, which in turn results in a low level of demand for goods and services. Low demand makes companies reluctant to invest, resulting in low capital accumulation which ultimately affects low productivity. (Jhingan, M.L, 2016)

The ideal conditions under which education can reduce poverty in Indonesia is when everyone has access to quality, affordable, and relevant education to the needs of the job market, as well as when the government and society actively support human resource development. In this condition, education will be the main tool in improving the quality of life, opening up better job opportunities, and reducing social inequality. There is also an example of ideal conditions, namely quality education that can help individuals to develop knowledge, skills, and critical thinking skills that are relevant to the needs of the world of work. (Sucofindo, 2024)

However, to cover these ideal conditions, it is necessary to handle poverty related to the education sector in a comprehensive and sustainable manner. The government or institutions need to ensure that every child from a poor family can set aside quality education without being controlled by costs. This can be realized through the provision of adequate educational facilities, equitable distribution of quality education personnel, and strengthening the curriculum in accordance with the needs of the job market.

Conditions also apply to social support programs and scholarships should be expanded to include children from low-income families. Education scholarships and living expense assistance can reduce the economic burden on poor families, so they can focus more on their children's education. The program should be designed with the specific needs of vulnerable groups in mind, including psychosocial support and academic coaching. The role of communities and non-governmental institutions is crucial in creating an environment that supports the education of poor children. Community-based programs that provide learning support, skills training, and extracurricular activities can help address educational challenges. These institutions can also collaborate with the government to ensure that existing policies and programs are truly effective and appropriate to the needs on the ground.

The poverty rate in Indonesia shows a significant downward trend, This decline reflects the success in poverty alleviation efforts in various regions. Despite the decline, challenges remain, especially in rural areas and areas with higher poverty rates. The government continues to strive through various social and economic programs to suppress social inequality and encourage an equitable improvement in living standards.

The trend of poverty rates in Indonesia over the past five years can be seen based on the data as listed in table 1, it can be seen that the number of poverty situations in Indonesia has fluctuated from time to time. Although in general there has been a fairly stopped decline in the number of poor people every year, in the 2020 and 2021 periods, there has been an increase that needs special attention, but in 2022 to 2024 it has decreased again reaching up to 25,219.20 thousand people with a percentage of the poor population of 9.03% in 2024. This decline was caused by several deflationary factors that led to an increase in the poverty line, an increase in household consumption, and government support through various social assistance programs. In addition, solid domestic economic activity also plays a role in reducing the poverty rate.

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Table 1. Data and Percentage of the Poor in Indonesia



Source: Central Statistics Agency 2024

Based on the data below, it shows a positive trend in the Education indicators in 2015-2024. In the table of the Average Length of Schooling, we can see the annual average number of years taken by Education in formal education, data shows a very consistent trend of increase in 2015 at 7.84 to 8.85 in 2024, this figure illustrates that the Indonesian people are increasingly aware of the importance of education and have better access to continue their education. In the literacy rate table, it can be seen that the percentage of the population who have the ability to read and write in daily life based on the data displayed has experienced a consistent and stable increase departing from 95.22% throughout 2015 to 96.67 throughout 2024. Although the increase is not very large in absolute numbers (only 1.45 percentage points), it shows that Indonesia has reached a fairly high base level. And in the table of school achievement figures (19-23 years old) measures the percentage of the population in the age group of 19-23 years who are still in school or are in the process of completing higher education, different from the previous two indicators, this figure shows that this pattern of more fluctuations is caused by various factors such as economic conditions that greatly affect the capacity of families to attend higher education, the availability of jobs that attract high school graduates to work immediately. Or the impact of the COVID-19 pandemic that may affect the decision to continue education. However, the achievement of almost 30% in 2024 shows that more and more Indonesian youth are accessing higher education, which is a positive indicator for the improvement in the quality of human resources in the future.

Poverty is not ideal because it limits people's access to basic needs, potential for self-development, and participation in development. In addition, poverty also has an impact on health, education, and community resilience, and can cause social problems and crime.

According to (Pitasse Fragoso, 2025) conveying that a person is dictated to be poor if he experiences capability deprivation, which is the lack of ability to achieve the functions and functions of a dignified life

According to (Suyanto, 2013) Poverty is often defined simply as an economic phenomenon, in the sense of low income or not having a well-established enough livelihood to depend on

According to (Todaro, 2000) The magnitude of poverty can be measured with or without referring to the poverty line. A concept that refers to a poverty line is called absolute poverty, while a concept whose measurement is not based on a poverty line is called relative poverty.

Education plays an important role in reducing poverty in Indonesia, but its influence is not always simple and is influenced by several other factors. To ensure that education can be an effective tool in reducing poverty, efforts are needed to improve the quality of education, ensure accessibility, and create supportive economic conditions.

It has a significant effect on the poverty rate. When a person's level of education increases, the likelihood of that person getting out of the circle of poverty is also greater the chance to get out of poverty because education equips a person with the knowledge skills needed to obtain a more decent job and increase income.

Education is a fundamental factor in breaking the cycle of poverty through Education, individuals can develop their skills and insights, which improves them to obtain better quality jobs and improve their economic conditions. Education also provides access to more appropriate job opportunities with more adequate income.

In addition, education is also able to encourage a person to achieve capacity in overcoming various economic challenges he faces. With education, one can have a broader knowledge of how to manage finances, grow a business, and make investments.

The condition between education and poverty has a very strong impact, because an increase in a person's level of education will be followed by an increase in their competence, so that it can increase their work effectiveness (Astrini & B., 2003). The Education sector needs special attention in an effort to overcome the lag from social and economic aspects.

Few studies have shown how education affects poverty rates. This research has shown how education affects poverty levels. It was found that there was a significant negative correlation between the level of education and poverty. This indicates that the higher an individual's level of education, the more likely they are to have a lower risk of experiencing poverty. Education will improve the ability to obtain employment for households. High job opportunities will be accompanied by a subjective increase in income. The impact of this chain is finally able to free the community groups that come from the poverty that shackles them. (Ezung, 2017)

## RESEARCH METHODS

### Place and Time of Research

This research was carried out in the territory of Indonesia, covering all existing provinces, namely as many as 38 provinces. The selection of this national scope is based on the goal of gaining a deep understanding of the influence of education on poverty levels in various regions, both urban and rural areas. The data used includes education and poverty indicators sourced from the Central Statistics Agency (BPS) and the Ministry of Education, Culture, Research and Technology (Kemendikbudristek).

The research site is not physically carried out through field observation, but is a documentation study based on secondary data. The researcher will access and manage official statistical data that has been published by government agencies, including the National Socio-Economic Survey (Susenas) report, BPS annual report, and development planning documents from Bappenas. Therefore, the location of data analysis is flexible, it can be done from an educational institution or the researcher's workplace, as long as it has access to relevant digital or print data.

The time for the implementation of the analyzed data research covers the period 2019-2024 to see the trends and developments of the relationship between education and poverty. Research activities include the stage of secondary data collection, statistical data analysis, writing results, and preparing final reports. This time span is considered sufficient to systematically complete all stages of research and produce accurate and reliable data because it meets scientific standards from an academic point of view.

### Research Design

According to Nurdin and Hartati (2019, p. 27), states that the research design is a structured design to obtain relevant data or information in answering research questions. Thus, proper research planning will support the creation of an efficient and effective research process.

### Population and sample

According to Sugiyono (2019), population is a collection of objects or subjects in the study of areas that have special characteristics or characters, either in the form of humans, objects, or other natural elements, which are chosen by researchers as objects of observation and analysis to obtain relevant conclusions, in this study the population used covers the entire administrative area of Indonesia consisting of 38 provinces, with a focus on data related to education levels and poverty in each province in Indonesia

According to (Sugiyono, 2019) the sample is part of the population under investigation, it can be said that the sample is the population that the researcher takes to investigate. This study uses a saturated sampling technique (census) where all population members are sampled because the population is relatively small and can be reached completely. This is done to get a comprehensive picture of the influence of education on poverty throughout Indonesia.

The analysis technique used in this study is multiple linear regression analysis. Multiple linear regression analysis aims to determine the influence between one or more independent variables and dependent variables, whether independent variables are positively or negatively related.

## RESULTS

Table 1 Descriptive Statistics of Research Variables

Variable	N	Minimum	Maximum	Red (Std. Dev)
Poverty Rate (%)	380	3,55	27,76	10,85(4,52)
Average School Length (years)	380	6,12	11,43	8,45(0,98)
Literacy Rate (%)	380	85,42	99,87	95,88(2,67)

APS 19-23 years old (%)	380	12,34	52,18	28,67(8,45)
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Source: BPS data, processed by researchers (2026)

Based on table 4.1 above, it can be explained as follows:

#### 1. Poverty Rate (Y)

The poverty rate has a minimum value of 3.55% (DKI Jakarta, 2024) and a maximum of 27.76% (Papua, 2015), with an average of 10.85% and a standard deviation of 4.52. The relatively large standard deviation shows that there is a significant gap in poverty rates between provinces. This indicates that although there has been a national decrease in poverty, the decline is uneven throughout Indonesia.

#### 2. Average School Length (X<sub>1</sub>)

RLS has a minimum value of 6.12 years (Papua, 2015) and a maximum of 11.43 years (DKI Jakarta, 2024), with an average of 8.45 years and a standard deviation of 0.98. The average age of 8.45 years shows that in general, the Indonesian population has completed education at the junior high school level. Provinces on the island of Java tend to have higher RLS than provinces in eastern Indonesia.

#### 3. Literacy Numbers (X<sub>2</sub>)

AMH has a minimum value of 85.42% (Papua, 2015) and a maximum of 99.87% (DKI Jakarta, 2024), with an average of 95.88% and a standard deviation of 2.67. The relatively small standard deviation indicates that the gap in literacy between provinces is not very large, although there are still some provinces that need special attention.

#### 4. School Participation Rate (X<sub>3</sub>)

APS has a minimum value of 12.34% (Papua, 2024) and a maximum of 52.18% (DKI Jakarta, 2024), with an average of 28.67% and a standard deviation of 8.45. Considerable variation (standard deviation of 8.45) shows that there is a gap in access to higher education between regions. Factors such as the availability of colleges, family economic ability, and geographical factors are obstacles to the improvement of APS.

Table 2. Panel Data Regression Analysis Results

Variable	Coefficient	Std. Error	t-Statistic	Prob.
C	360.0020	66.45634	5.417121	0.0000
RLS	-0.589248	1.011455	-0.582575	0.5617
AMH	-3.374180	0.689389	-4.894453	0.0000
APS	-0.275356	0.121084	-2.274086	0.0255

Source: Data processed with EViews, 2026

Based on the regression results of the least squares panel, the model shows that independent variables have a diverse influence on poverty. The constant of 360.0020 is significant at  $\alpha=1\%$  (prob. 0.0000), indicating the baseline poverty level when all independent variables are zero. The RLS variable (Average School Length) has a negative coefficient of -0.589248 but is not significant (prob. 0.5617 > 0.05), meaning that RLS has no significant effect on poverty. The AMH variable (Literacy Rate) showed a significant negative influence with a coefficient of -3.374180 (prob. 0.0000 < 0.01), which means that every 1% increase in AMH will reduce poverty by 3.37 percent. Similarly, the APS (School Participation Rate) variable had a significant negative effect with a coefficient of -0.275356 (prob. 0.0255 < 0.05), indicating that a 1% increase in APS would reduce poverty by 0.28 percent. Overall, education through AMH and APS indicators has been shown to be effective in reducing poverty, while the quality of education measured through RLS has not shown a significant impact in the observed periods and regions.

## DISCUSSION

### The Effect of Average School Age on Poverty

Based on the results of the regression of panel data with the Random Effect Model, the Average School Length (RLS) has a coefficient of -0.589248 with a t-statistical value of -0.582575 and a probability of 0.5617. Because the probability value is greater than the significance level of  $\alpha = 0.05$ , RLS is stated to have a negative but not significant effect on the poverty level in Indonesia. That is, although the direction of the relationship is theoretically correct—where an increase in the average length of school tends to decrease poverty—the effect has not been statistically proven to be real in this model.

This finding does not actually contradict the Human Capital Theory put forward by Gary Becker (1964) and Theodore Schultz (1961). The theory does state that investment in education will increase one's productivity and income, but the same theory also requires that education must be of quality and relevant to the needs of the job market in order for its impact on poverty to be realized. The insignificance of RLS in this study actually indicates that the addition of school duration, without being balanced with an improvement in the quality and suitability of

the curriculum, has not been able to produce a statistically measurable effect on poverty reduction.

There are several factors that may explain why RLS is not significant in this model. First, there is a potential for multicollinearity between RLS and APS which has a high correlation of 0.835, so that RLS's ability to explain poverty variations independently is limited. Second, the average length of schooling in Indonesia, which will only reach 8.85 years in 2024, shows that the majority of the population is still at the primary to junior high school education level, which is not enough to produce significant changes in productivity in the job market. Third, the huge gap in the quality of education between provinces causes the addition of the school year to be not always directly proportional to the increase in labor competence.

The results of this study are different from several previous studies that found RLS to have a significant effect, including:

1. Surbakti et al. (2023) who found that education level has a negative and significant effect on poverty in Indonesia for the 2015-2021 period.
2. Susanto & Pangesti (2019) who found that education level has a negative and significant influence on poverty in DKI Jakarta.
3. Retno (2011) who found that education has a negative effect on poverty and positive on economic growth in Indonesia.

These differences in findings are likely due to differences in data coverage, control variables used, and study period. However, the direction of the negative RLS coefficient in this study is still consistent with the theoretical logic that education has the potential to reduce poverty. In the Indonesian context, the increase in RLS from 7.84 years in 2015 to 8.85 years in 2024 shows positive progress, but it has not been accompanied by an even improvement in quality. Therefore, these findings provide an important message for policy: the extension of the school period must be followed by improving the quality of learning, the relevance of the curriculum to the needs of the labour market, and equitable access to quality education across provinces so that the impact of RLS on poverty reduction can be realized.

### **The Effect of Literacy on Poverty**

Literacy rates have been proven to have a negative and significant effect on poverty rates. Although the coefficient is smaller than the RLS, AMH still shows a significant contribution to poverty reduction.

Reading and writing skills are essential basic skills in modern life. Literacy is the foundation for all further learning and is a prerequisite for being able to access information, understand job instructions, and participate in productive economic activities. Literate individuals have better access to Information about employment opportunities and economic empowerment programs, Knowledge of their rights as citizens and workers, Health and nutrition information that is essential for family well-being, Ability to attend skills training and further education

In the context of poverty alleviation, literacy is an important prerequisite to be able to access various skills training programs and economic opportunities. High literacy rates also contribute to increased community participation in the development and decision-making process, which can ultimately improve community welfare.

Although Indonesia has achieved a relatively high literacy rate (an average of 95.88% during the 2015-2024 period), there are still gaps between regions that need attention. Provinces in eastern Indonesia such as Papua (85.42%), East Nusa Tenggara (88.67%), and West Sulawesi (89.34%) still have relatively lower AMH, which correlates with higher poverty rates in the region.

The results of this study support the findings of Anggraini (2024) which shows that literacy rates have a significant impact on reducing the number of poor people in the Bangka Belitung Islands Province. This shows that illiteracy eradication programs remain relevant and important to continue, especially in areas with low AMH.

### **The Effect of School Participation Rates on Poverty**

School Participation Rates for the age group of 19-23 years show a negative and significant influence on poverty rates. These results confirm that access to higher education contributes to poverty reduction.

Higher education provides the more specific and advanced skills and knowledge that are so much needed in today's knowledge-based economy. In the era of the industrial revolution 4.0 and towards society 5.0, the need for high-skilled labor is increasing. Individuals pursuing higher education have several advantages Greater opportunities to get highly-qualified jobs and better incomes, Ability to adapt to changing technology and job markets, Opportunities to become entrepreneurs and create new jobs, Access to a wider network of professionals.

However, the results of the study also show that there is a considerable gap between provinces. Provinces with better higher education infrastructure and a more advanced economic level such as DKI Jakarta (52.18%), DI Yogyakarta (48.76%), and West Java (38.45%) have a much higher APS than provinces in eastern Indonesia such as Papua (12.34%), East Nusa Tenggara (15.67%), and West Sulawesi (16.23%). This gap shows several structural problems that need to be addressed: Limited availability of universities in disadvantaged areas, Economic constraints that make poor people unable to afford higher education, Geographical factors that make access to universities difficult and expensive, Lack of information about scholarship opportunities and educational aid

This shows the need for more comprehensive policies to improve access to higher education, especially in disadvantaged areas. Some strategies that can be carried out include: The development of universities or open universities in areas that do not have adequate higher education infrastructure, The expansion of scholarship programs such as Bidikmisi/KIP Lectures to reach more students from underprivileged families, the development of distance education (distance learning) that utilizes digital technology, Cooperation with private universities to provide scholarships to students from the regions Left Behind

## CONCLUSION

1. Effect of Average School Length (RLS) on Poverty The average length of school (RLS) shows a negative effect on poverty, which means that every additional one year of average school time has the potential to reduce poverty by 0.59%. However, this effect is not statistically significant. These findings indicate that the quantity or duration of education alone is not enough to effectively reduce poverty. This may be due to a mismatch between the education received and the needs of the job market, or the quality of education that is not optimal so that it is not able to significantly increase productivity. Thus, the first hypothesis that the average length of school has a significant effect on the poverty rate in Indonesia is rejected.
2. The Influence of Literacy Rate (AMH) on Poverty Literacy rate (AMH) has been proven to have a very significant negative influence on poverty This means that every 1% increase in literacy rate will reduce the poverty rate by 3.37%, assuming other variables are constant. This strong influence shows that basic literacy skills are an important foundation in poverty alleviation. Literacy opens up access to information, better job opportunities, and the ability to participate in the modern economy. The significance of this variable underscores the importance of illiteracy eradication programs as a fundamental strategy in poverty reduction. Thus, the second hypothesis that literacy has a significant effect on the poverty rate in Indonesia is accepted.
3. The Effect of School Participation Rate (APS) on Poverty The school participation rate (APS) shows a significant negative influence on poverty This means that every 1% increase in the school participation rate will reduce poverty by 0.28%. Although their magnitude is smaller than that of AMH, this variable is still important because it reflects access to and utilization of educational services. High school participation shows that people have the opportunity to develop the skills and knowledge necessary to improve their standard of living. Thus, the third hypothesis that school participation rates have a significant effect on the poverty rate in Indonesia is accepted.
4. The Simultaneous Influence of Education Variables on Poverty Based on the results of the F test, this shows that simultaneously or together, all independent variables (RLS, AMH, and APS) have a significant effect on poverty. The regression model used has a good feasibility (fit) to explain the variation in poverty variables.
5. The Model's Ability to Explain Poverty Variation shows that the variation in poverty can be explained by the three educational variables (RLS, AMH, and APS) of 88.58%, while the remaining 11.42% is explained by other factors outside the model. The Adjusted R-squared value reinforces the finding that the model has excellent predictive capabilities. This confirms that education is an important determinant in poverty reduction in Indonesia.
6. Panel Data Model Selection Based on the results of the Chow test, Hausman test, and Lagrange Multiplier test, the Random Effect Model (REM) was selected as the best model to analyze the influence of educational performance on poverty. This model is able to take into account individual (provincial) heterogeneity as an error component that is not correlated with independent variables and provides more efficient and conscientious estimations and provides more consistent estimates.

## SUGGESTIONS

### Advice for the Government

1. Priority on Basic Literacy Programs Given the very significant influence of literacy rates on poverty reduction (coefficient -3.374180), central and local governments need to prioritize illiteracy eradication programs, especially in areas with high poverty levels. Basic literacy programs should be strengthened and expanded in scope, not only for school-age children but also for adults who are not yet literate. The government can allocate special funds for a more intensive and structured Basic Literacy Education (KD) program.
2. Increasing School Access and Participation The results show that school participation rates have a significant effect on poverty reduction. Therefore, the government needs to remove or reduce economic barriers that prevent children from poor families from attending school through the expansion of the Smart Indonesia Card (KIP) program and education scholarships, Build and rehabilitate educational infrastructure in remote and underdeveloped areas to make them more accessible, Develop inclusive education programs that reach marginal groups such as street children, children with special needs, and children in conflict areas

3. **Focus on Education Quality, Not Just Quantity** The finding that the average length of school does not have a significant effect on poverty shows that the extension of the school period is not enough. The government needs to improve the quality of learning through continuous and competency-based teacher training, develop curricula that are relevant to the needs of the job market and technological developments, strengthen vocational education and skills that can be directly applied in the world of work and increase the teacher-student ratio and provide adequate learning facilities
4. **Education Policies Integrated with Education Poverty Alleviation Programs** must be an integral part of the national poverty alleviation strategy. The government needs to integrate education programs with poverty alleviation programs such as the Family Hope Program (PKH), develop mentoring programs for poor families to maximize the educational benefits for their children, and provide additional assistance such as transportation costs, allowances, and nutrition for children from poor families
5. **Evaluation and Monitoring of Education Programs** The Government needs to conduct periodic evaluations of the effectiveness of education programs in reducing poverty using clear and measurable indicators. Provincial panel data can be used as a basis for benchmarking between regions and identifying best practices that can be replicated.

#### **Advice for Educational Institutions**

1. **Improving the Quality of Learning** Educational institutions, both formal and non-formal, need to Implement innovative and student-centered learning methods, Integrate technology in the learning process to increase attractiveness and effectiveness and Develop enrichment programs for outstanding students and remedial programs for disadvantaged students
2. **Developing Relevant Skills** Schools and colleges need to develop curricula that focus not only on theoretical knowledge, but also on practical skills needed in the world of work, such as digital skills, entrepreneurship, and soft skills.
3. **Partnerships with the Industrial World** Educational institutions need to establish partnerships with the industrial world to develop internship programs and work practices, adapt the curriculum to the needs of the industry and Facilitate the absorption of graduates in the job market

#### **Suggestions for the Community**

1. **Raising Awareness of the Importance of Education** The community, especially parents from poor families, needs to raise awareness that education is a long-term investment that can break the cycle of poverty Encourage children to complete education at least up to the secondary level and Take advantage of educational assistance programs from the government
2. **Active Participation in Community Education Programs** requires active participation in non-formal educational programs such as skills courses, vocational training, and literacy programs for adults.

#### **Suggestions for Further Researchers**

1. **Expansion of Research Variables** The researcher is further advised to Add variables of education quality such as teacher competence, student-teacher ratio, and school facilities, Include other control variables that can affect poverty such as economic growth, unemployment rate, inflation, and access to infrastructure, Analyze differences in the impact of education on poverty based on regional characteristics (urban vs. rural, Java vs. outside Java)
  2. **Expanding the Research Period and Scope** The research can further extend the research period to see the long-term effects of education on poverty, Expand the scope of the research to all 38 provinces in Indonesia to get a more comprehensive picture and Use dynamic panel data to analyze the lag effects of education on poverty
  3. **Deeper Analysis** Researchers can then conduct a heterogeneity analysis of the effects of education on poverty based on education level (elementary, junior high, high school, PT), Threshold effect analysis to determine the minimum level of education required to significantly reduce poverty, and Mediation analysis to understand the mechanisms or pathways of how education affects poverty (e.g. through increased income, access to employment, or productivity)
  4. **Alternative Analysis Methods** Researchers can then use more sophisticated analysis methods such as Generalized Method of Moments (GMM) to address endogeneity issues, spatial data panels to consider spillover effects between regions and Quantile regression to see differences in the effects of education on different levels of poverty
  5. **Supporting Qualitative Analysis** To complement the quantitative analysis, researchers are then advised to conduct qualitative studies through in-depth interviews or focus group discussions with poor people to understand more deeply how education affects their lives and what barriers they face in accessing quality education.
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