

Analysis of the Influence of Income Inequality, Unemployment, and Human Development on Poverty Levels in Palopo City

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ABSTRACT

This study aims to analyze the influence of income inequality, unemployment rate, and Human Development Index (HDI) on poverty levels in Palopo City. This study uses a quantitative approach with causal associative design and secondary data in the form of an annual time series for the period 2016–2025 sourced from the Central Statistics Agency (BPS) of Palopo City and South Sulawesi Province. Data analysis was carried out using multiple linear regression analysis. The results of the study showed that partially income inequality had a positive but insignificant effect on the poverty rate, while the unemployment rate had a negative but insignificant effect on the poverty rate. On the other hand, HDI has a negative and significant effect on poverty rates, which suggests that improving the quality of human development through education, health, and a decent standard of living can reduce poverty. Simultaneously, income inequality, unemployment rate, and HDI have a significant effect on the poverty rate in Palopo City.

INTRODUCTION

Poverty is a complex social problem and is almost always a major issue in economic development, especially in developing countries. Poverty is not only related to low income but also includes limited access to education, health care, employment, and overall quality of life. This is in line with the view of Fabela & Khairunnisa (2024), who stated that poverty is a global phenomenon that impacts various aspects of people's lives. The inability of people to optimally participate in development, including limited access to economic resources, is often the main trigger for poverty (Kundhani et al. 2024). Thus, poverty must be understood as a multidimensional phenomenon influenced by various social and economic factors.

At the national level, poverty remains a challenge, despite a steady downward trend from year to year. Data from the Central Statistics Agency (BPS) shows that Indonesia has successfully reduced poverty rates from 2015 to 2024. However, this decline has been relatively slow and uneven across regions. As explained in research by Nabila et al. (2026),

various welfare indicators such as the Human Development Index (HDI), poverty, and the quality of access to public services show progress, but these achievements are not evenly distributed across regions. Development disparities between urban and rural areas, as well as between western and eastern Indonesia, remain significant challenges. In fact, Nabila et al. (2026) emphasize that spatial inequality, differences in infrastructure quality, and suboptimal development distribution are the main factors causing vulnerable communities to remain in the poverty category.

This inequality phenomenon illustrates that poverty in Indonesia is influenced not only by income levels but also by the unequal distribution of welfare. Income inequality, often measured by the Gini Ratio, indicates that some communities are unable to enjoy the benefits of development equally. High income inequality exacerbates poverty as the poor are increasingly marginalized from economic opportunities. This is relevant to the findings of Maskur et al. (2023) who stated that income inequality has a significant influence on poverty levels in various regions in Indonesia, and is further supported by research by Qarina (2022) which found that income inequality has a positive effect on poverty increases.

This situation is also reflected at the regional level, including in Palopo City. As one of the developing cities in South Sulawesi Province, Palopo City has increasingly varied socio-economic dynamics. According to data from the Palopo City Central Statistics Agency (2025), the poverty rate has fluctuated in recent years, although it shows a downward trend. In November 2024, the percentage of the poor population was recorded at 7.35 percent, or around 14,310 people, while March 2024 data showed the poverty line was at IDR 466,521 per capita per month. However, this figure has not stabilized from year to year, indicating that some people remain vulnerable and easily pushed back into poverty when economic pressures arise. This fluctuation confirms that improving welfare in Palopo City still requires more consistent policies that are responsive to changing socio-economic conditions.

The unemployment rate is also a significant factor influencing poverty (Wulansari et al. 2023). Palopo City has seen an increase in the workforce due to population growth and urbanization. However, this increase is not always accompanied by adequate employment opportunities. When the labor market is unable to optimally absorb the workforce, unemployment increases and potentially reduces household income. According to Guguraty et al. (2025) and Maskur et al. (2023), unemployment is strongly linked to poverty levels, as the lack of job opportunities prevents people from adequately meeting their living needs. This finding aligns with the analysis of Nabila et al. (2026), which revealed that the COVID-19 pandemic significantly increased unemployment and caused poverty rates to rise again in 2020–2021 before gradually declining again.

Besides income inequality and unemployment, another equally important factor is the Human Development Index (HDI). The HDI illustrates development achievements through indicators of education, health, and standard of living. A high HDI indicates good human resource quality, thus potentially reducing poverty levels by increasing community

productivity (Prasetyoningrum and Sukmawati 2018). Palopo City's HDI has continued to increase over the past few years (Palopo City Central Statistics Agency, 2025), although it has not been able to significantly reduce poverty rates. Karonika et al. (2023) state that the imbalance in human development between regions can hinder the process of poverty reduction, especially if improvements in human quality are not accompanied by adequate employment opportunities.

Given these dynamics, it is clear that poverty in Palopo City is not a standalone issue, but rather the result of the interaction of income inequality, unemployment, and human development. Although numerous studies on poverty have been conducted at the national and provincial levels, specific studies on how these three variables influence poverty in Palopo City are still limited. In fact, a more in-depth analysis at the regional level is crucial for the city government to formulate more effective poverty alleviation policies based on local data. Based on these conditions, this study was conducted to analyze the influence of income inequality, unemployment, and human development on poverty levels in Palopo City. The results of this study are expected to provide a tangible contribution to the local government in developing a more targeted, sustainable, and capable economic development strategy.

RESEARCH METHODS

The type of research used in this study is quantitative. Quantitative research aims to examine the relationship between variables through numerical data analyzed using statistical methods (Aida, Hermina, and Norlaila 2025). The research design used is a causal associative research design. Causal associative research aims to determine the effect of independent variables on the dependent variable (Sari et al. 2022). The approach used is time series data analysis utilizing annual secondary data obtained from the Central Statistics Agency (BPS) of Palopo City and other relevant official sources.

The type of data used in this study is quantitative data in the form of statistical figures regarding poverty levels, income inequality, unemployment, and the Human Development Index in Palopo City.

The data sources used in this study are secondary data. Secondary data is data obtained indirectly through documents, reports, publications, and official archives of relevant agencies. The research data was obtained from:

1. Central Statistics Agency (BPS) Palopo City
2. Central Statistics Agency of South Sulawesi Province
3. Official government publications and reports
4. Literature and scientific journals relevant to the research

The data used is annual time series data over a specific period, depending on the research data availability. Based on this type of data, the data collection techniques used in this study are:

1. Documentation techniques are carried out by collecting data from official documents, statistical reports, BPS publications, journals, books and other written sources related to the research.
2. Literature studies are conducted by studying various theories, concepts, previous research results, and literature related to poverty, income inequality, unemployment, and human development.

Data analysis techniques are methods used to process data into more structured information, making its characteristics easier to understand. Through this process, researchers can identify patterns, relationships, and meaning behind the data obtained. Furthermore, data analysis plays a crucial role in finding solutions to the problems being studied, particularly in the context of this research.

1. Descriptive statistical analysis was used to describe and provide an overview of the research data, including poverty levels, income inequality, unemployment, and human development in Palopo City. This analysis aims to observe the development of each research variable from year to year, thus providing an initial understanding of the condition and characteristics of the data used.
2. Classical assumption tests are conducted to ensure that the regression model meets statistical requirements so that the analysis results are valid and reliable. Classical assumption tests in this study include normality tests, multicollinearity tests, heteroscedasticity tests, and autocorrelation tests.
3. Multiple linear regression analysis was used to determine the effect of income inequality, unemployment, and human development on poverty levels in Palopo City. Hypothesis testing was conducted using simultaneous tests (F tests), partial tests (t tests), and coefficient of determination (R^2) tests.

RESULTS AND DISCUSSION

Research Data Description

This research data describes the development of poverty levels, income inequality (Gini Ratio), unemployment rates, and the Human Development Index (HDI) in Palopo City during the period 2016–2025. The data was obtained from the Central Statistics Agency of Palopo City and South Sulawesi Province in 2026. These four variables are used to examine the socioeconomic conditions of the community and their influence on poverty levels in Palopo City.

Table 1 Description of Data on Poverty Level, Gini Ratio, Unemployment Rate, and Human Development Index (HDI) of Palopo City 2016–2025

Year	Poverty Level	Gini Ratio	Unemployment Rate	HDI
2016	8.74	0.374	12.07	76.45
2017	8.78	0.341	10.96	76.71

2018	7.94	0.338	11.60	77.30
2019	7.82	0.338	9.67	77.98
2020	7.85	0.354	10.37	79.39
2021	8.14	0.358	8.83	79.72
2022	7.78	0.371	8.20	80.24
2023	7.69	0.367	7.81	80.77
2024	7.35	0.333	7.64	81.25
2025	7.18	0.333	7.53	81.74

Source: BPS Palopo City and South Sulawesi Province (2026)

Based on the data obtained, the poverty rate in Palopo City tends to decrease from year to year. In 2016, the poverty rate was 8.74 percent and decreased to 7.18 percent in 2025. Although it increased in 2021 to 8.14 percent, the overall poverty rate shows an improving trend. The income inequality variable, measured using the Gini Ratio, shows fluctuating conditions. The highest Gini Ratio value occurred in 2016 at 0.374, while the lowest value occurred in 2024 and 2025 at 0.333. This indicates that the level of income inequality in Palopo City tends to decrease, although it still experiences changes in certain periods.

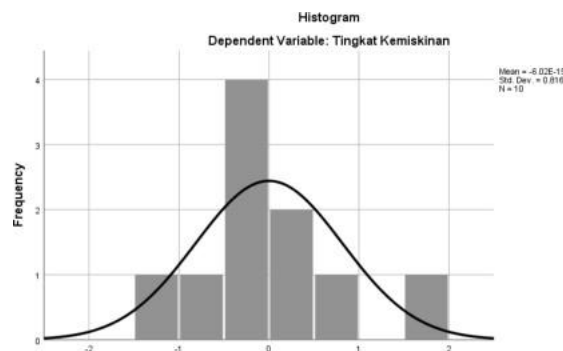
The unemployment rate also decreased during the study period. In 2016, the unemployment rate was 12.07 percent and continued to decline to 7.53 percent in 2025. This decline in the unemployment rate indicates an increase in job opportunities and economic activity in the community. Meanwhile, the Human Development Index (HDI) shows an increase every year. In 2016, the HDI of Palopo City was 76.45 and increased to 81.74 in 2025. This increase in the HDI reflects the improving quality of life of the community in terms of education, health, and a decent standard of living. Overall, the research data shows that the socio-economic conditions of Palopo City during the 2016–2025 period experienced quite good development, marked by a decrease in poverty and unemployment rates and an increase in the HDI, although income inequality still fluctuates.

Classical Assumption Test

Classical assumption testing is a series of tests performed before regression analysis to ensure that the regression model meets statistical requirements for valid and unbiased results. If all assumptions are met, the regression model is considered suitable for drawing accurate conclusions. These tests include:

1. Normality Test

A normality test is performed to determine whether the data in the study is normally distributed (Azhari et al. 2023). In this study, the normality test was performed by examining a normal probability plot (diagram) and using the Kolmogorov-Smirnov (KS) statistical test. Data are considered normally distributed if the points on the graph are spread around the diagonal line and the significance value of the Kolmogorov-Smirnov test is greater than 0.05.



Graph 1. Normal probability plot

The histogram above shows the distribution of standardized residuals from a regression analysis for the poverty rate variable. It can be seen that most residual values cluster around zero, with only a few falling far to the left or right. The black curved line indicates a normal distribution pattern, and the shape of the histogram appears to follow this pattern fairly well. Overall, this graph indicates that the residuals are fairly distributed and do not exhibit significant deviations, thus meeting the assumption of normality.

Table 2. One-Sample Kolmogorov-Smirnov Test

		Unstandardized Residual
N		10
Normal Parameters ^{a,b}	Mean	.0000000
	Standard Deviation	.20330722
Most Extreme Differences	Absolute	.192
	Positive	.192
	Negative	-.131
Test Statistics		.192
Asymp. Sig. (2-tailed)		.200 ^{c,d}

a. Test distribution is Normal.

b. Calculated from data.

c. Lilliefors Significance Correction.

d. This is a lower bound of the true significance.

The Kolmogorov-Smirnov test results show that the significance value (Asymp. Sig. 2-tailed) is 0.200. This value is greater than 0.05, so the residuals in the model can be considered normally distributed. The maximum difference between the data distribution and the normal distribution (*Most Extreme Differences*) is also relatively small. Thus, it can be concluded that the assumption of normality is met and the residuals do not show significant deviations from the normal distribution pattern.

2. Multicollinearity Test

A multicollinearity test is conducted to determine whether there is a strong relationship or correlation between the independent variables in a regression model. In this study, multicollinearity is tested using the Tolerance and Variance Inflation Factor (VIF) values. A regression model is considered free of multicollinearity if the Tolerance value is >0.10 and the VIF value is <10 .

Table 3. Multicollinearity Test Results

Coefficients ^a							
Model	Unstandardized Coefficients		Standardized Coefficients		Collinearity Statistics		
	B	Std. Error	Beta	T	Sig.	Tolerance	VIF
1 (Constant)	21,305	4,381		4,863	.003		
Income Inequality	11,375	5,921	.353	1,921	.103	.760	1,317
Unemployment Rate	-.002	.004	-.098	-.534	.613	.756	1,324
HDI	-.219	.044	-.813	-4,940	.003	.946	1,057

a. Dependent Variable: Poverty Level

Based on the results of the multicollinearity test in the coefficients table, it is known that all independent variables have a Tolerance value greater than 0.10 and a Variance Inflation Factor (VIF) value less than 10. The income inequality variable has a Tolerance value of 0.760 and a VIF of 1.317, the unemployment rate has a Tolerance value of 0.756 and a VIF of 1.324, while the HDI has a Tolerance value of 0.946 and a VIF of 1.057. Thus, it can be concluded that the regression model in this study does not experience multicollinearity problems so that the independent variables are suitable for use in the research model.

3. Heteroscedasticity Test

A heteroscedasticity test is performed to determine whether there is inequality in residual variance in the regression model. In this study, the heteroscedasticity test was conducted using the Glejser test by examining the significance value of each independent variable. A regression model is considered free of heteroscedasticity if the significance value is greater than 0.05.

Table 4. Glejser test
Coefficients ^a

Model	Unstandardized Coefficients		Standardized Coefficients		t	Sig.
	B	Std. Error	Beta			
1 (Constant)	4,995	1,912			2,612	.040
Income Inequality	-3.204	2,584	-.379		-1,240	.261
Unemployment Rate	.000	.002	-.068		-.223	.831
HDI	-.047	.019	-.666		-2,430	.051

a. Dependent Variable: abs_RES

Based on the results of the heteroscedasticity test using the Glejser test, it was found that the income inequality variable had a significance value of 0.261, the unemployment rate of 0.831, and the HDI of 0.051. All variables had significance values greater than 0.05, thus concluding that the regression model did not experience heteroscedasticity. Therefore, the regression model in this study is suitable for further analysis.

4. Autocorrelation Test

An autocorrelation test is conducted to determine whether there is a correlation between residuals from a specific period and those from the previous period in a regression model. In this study, the autocorrelation test uses the Durbin-Watson (DW) method. Practically, a Durbin-Watson value close to 2 indicates no autocorrelation, a DW value <2 indicates a tendency for positive autocorrelation, while a DW value >2 indicates a tendency for negative autocorrelation.

Table 5. Autocorrelation test results
Model Summary ^b

Model	R	R Square	Adjusted R Square	Standard Error of the Estimate	Durbin-Watson
1	.920 ^a	.846	.769	.24900	2,392

a. Predictors: (Constant), HDI, Income Inequality, Unemployment Rate

b. Dependent Variable: Poverty Level

Based on the results of the Durbin-Watson autocorrelation test, the Durbin-Watson value was 2.392. This value is around 2, so it can be concluded that the regression model does not experience autocorrelation problems. Therefore, there is no correlation between the residuals in the current period and the previous period in this research model.

Multiple Linear Regression Analysis

Multiple linear regression analysis was used to determine the extent of influence of the independent variables (Azhari et al. 2023) , namely income inequality (X_1), unemployment

(X_2), and human development (X_3), on the dependent variable, namely the poverty rate (Y) in Palopo City. Through this analysis, it can be seen to what extent each of these independent variables, both simultaneously and partially, influences changes in the poverty rate. The use of multiple linear regression in this study is expected to provide an empirical picture of the relationship between income inequality, unemployment rates, the quality of human development, and poverty conditions in Palopo City. The results of this analysis are expected to be able to form the basis for formulating more effective policies to reduce poverty rates by improving income equality, increasing employment opportunities, and improving the quality of human development.

1. Partial Test (t-Test)

A partial test (t-test) is used to determine the effect of each independent variable individually on the dependent variable in a regression model. In this study, the t-test was used to determine the effect of income inequality, unemployment rate, and the Human Development Index (HDI) on the poverty rate in Palopo City. The test was conducted by examining the significance value. If the significance value is less than 0.05, the independent variable has a significant effect on the dependent variable.

Table 6. T-test results

Model	Unstandardized Coefficients		Standardized Coefficients		T	Sig.
	B	Std. Error	Beta			
1 (Constant)	21,305	4,381			4,863	.003
Income Inequality	11,375	5,921	.353		1,921	.103
Unemployment Rate	-.002	.004	-.098		-.534	.613
HDI	-.219	.044	-.813		-4,940	.003

a. Dependent Variable: Poverty Level

Based on the results of the multiple linear regression analysis in the coefficients table, the following regression equation was obtained:

$$Y = 21.305 + 11.375X_1 - 0.002X_2 - 0.219X_3$$

Information:

Y = Poverty Rate

X1 = Income Inequality

X2 = Unemployment Rate

X3 = HDI

The constant value of 21.305 indicates that if the income inequality, unemployment rate, and HDI variables are considered constant or zero, then the poverty rate is 21.305. The income inequality variable has a regression coefficient of 11.375 with a significance value of 0.103 > 0.05 so that partially income inequality does not have a

significant effect on the poverty rate. The unemployment rate variable has a regression coefficient of -0.002 with a significance value of $0.613 > 0.05$ so that partially the unemployment rate also does not have a significant effect on the poverty rate. Meanwhile, the HDI variable has a regression coefficient of -0.219 with a significance value of $0.003 < 0.05$ so that partially the HDI has a negative and significant effect on the poverty rate. This shows that the higher the HDI, the poverty rate tends to decrease.

2. Simultaneous Test (F Test)

The simultaneous test (F-test) is used to determine the effect of independent variables simultaneously on the dependent variable in a regression model. In this study, the F-test was used to determine the simultaneous effect of income inequality, unemployment rate, and the Human Development Index (HDI) on the poverty rate in Palopo City. The test was conducted by examining the significance value. If the significance value is less than 0.05, all independent variables simultaneously have a significant effect on the dependent variable.

Table 7. F test results

ANOVA ^a

Model	Sum of Squares	Df	Mean Square	F	Sig.
1 Regression	2,048	3	.683	11,012	.007 ^b
Residual	.372	6	.062		
Total	2,420	9			

a. Dependent Variable: Poverty Level

b. Predictors: (Constant), HDI, Income Inequality, Unemployment Rate

Based on the results of the simultaneous test (F test) in the ANOVA table, the calculated F value was 11.012 with a significance value of 0.007. Since the significance value is less than 0.05 ($0.007 < 0.05$), it can be concluded that the variables of income inequality, unemployment rate, and Human Development Index (HDI) together have a significant effect on the poverty rate in Palopo City. Thus, the regression model used in this study is suitable to explain the influence of independent variables on the dependent variable.

3. Coefficient of Determination (R^2) Test

The coefficient of determination (R^2) test is used to determine the extent to which an independent variable explains the dependent variable in a regression model. In this study, the coefficient of determination is used to measure the influence of income inequality, the unemployment rate, and the Human Development Index (HDI) on poverty levels in Palopo City. The higher the R^2 value, the greater the independent variable's ability to explain the dependent variable.

Table 8. Results of determination test

Model Summary				
Model	R	R Square	Adjusted R Square	Standard Error of the Estimate
1	.920 ^a	.846	.769	.24900

a. Predictors: (Constant), HDI, Income Inequality, Unemployment Rate

Based on the results of the coefficient of determination test, the R Square value was obtained at 0.846 and the Adjusted R Square value was 0.769. This indicates that the variables of income inequality, unemployment rate, and Human Development Index (HDI) are able to explain the poverty rate by 76.9%, while the remaining 23.1% is influenced by other variables outside the research model.

Discussion

The Influence of Income Inequality on Poverty Levels in Palopo City

Based on the results of the partial test (t-test), the income inequality variable has a regression coefficient value of 11.375 with a calculated t-value of 1.921 and a significance value of 0.103. A positive regression coefficient value indicates that income inequality has a positive influence on the poverty rate. This means that if income inequality increases, the poverty rate also tends to increase. However, because the significance value is greater than 0.05 ($0.103 > 0.05$), income inequality does not have a significant effect on the poverty rate in Palopo City. The results of this study indicate that income inequality has not been able to significantly affect the poverty rate. Although income inequality has increased, this condition does not necessarily directly cause an increase in the poverty rate. This may be caused by the presence of other factors that are more dominant in influencing the poverty rate, such as education level, employment opportunities, quality of human resources, and community access to economic activities.

According to the economic development theory proposed by Michael P. Todaro (Meidiyan 2025), income inequality can lead to increased poverty levels because the distribution of economic development results is not enjoyed equally by all people. However, in this study, this theory has not been fully proven significantly because income inequality does not have a significant impact on the poverty level in Palopo City. The results of this study differ from the research conducted by Joya (2025). The results of this study showed that income inequality has a positive and significant effect on the poverty level in the Special Region of Yogyakarta (DIY). The difference in the results of this study may be influenced by differences in regional economic conditions, community characteristics, population size, and differences in the research period used.

Based on field conditions in Palopo City, the income inequality that occurs is likely not significantly affecting poverty levels because people still have opportunities to earn income from various economic sectors, both formal and informal. Furthermore, the existence

of social assistance and community empowerment programs can also help reduce poverty levels, even though income distribution is not yet equitable. Therefore, it can be concluded that income inequality has a positive influence on poverty levels, but does not significantly affect poverty levels in Palopo City. This indicates that income inequality is not yet a primary factor determining poverty levels in this study.

The Impact of Unemployment on Poverty Levels in Palopo City

Based on the results of the partial test (t-test), the unemployment rate variable has a regression coefficient value of -0.002 with a calculated t-value of -0.534 and a significance value of 0.613. The negative regression coefficient value indicates that the unemployment rate has a negative influence on the poverty rate. This means that if the unemployment rate increases, the poverty rate tends to decrease. However, because the significance value is greater than 0.05 ($0.613 > 0.05$), the unemployment rate does not have a significant effect on the poverty rate in Palopo City. The results of this study indicate that the unemployment rate has not been able to significantly affect the poverty rate. This condition indicates that an increase or decrease in the unemployment rate has not resulted in a significant change in the poverty rate. This may occur because some unemployed people still earn income from the informal sector, family businesses, or social assistance so they are not immediately included in the poor category.

According to the economic development theory proposed by Michael P. Todaro (Hastin and Siswadhi 2021), high unemployment rates can lead to increased poverty because people lose their source of income to meet their living needs. However, this theory has not been significantly proven in this study because the unemployment rate did not have a significant impact on the poverty rate in Palopo City. The results of this study differ from those conducted by Putri et al. (2025). This study showed that the unemployment rate had a positive and significant effect on the poverty rate, where an increase in unemployment led to an increase in the poverty rate. The differences in the results of this study may be influenced by differences in regional economic conditions, employment structure, and community characteristics in each study area.

Based on field conditions in Palopo City, unemployed people likely still have sources of income from casual employment or the informal sector, so the unemployment rate does not directly increase poverty. Furthermore, family support and government assistance programs can help people meet their living needs even if they lack permanent employment. Therefore, it can be concluded that the unemployment rate has a negative effect on poverty levels, but it does not significantly affect poverty levels in Palopo City. This indicates that the unemployment rate is not yet a primary factor determining poverty levels in this study.

The Influence of the Human Development Index on Poverty Levels in Palopo City

Based on the results of the partial test (t-test), the Human Development Index (HDI) variable has a regression coefficient value of -0.219 with a calculated t-value of -4.940 and a significance value of 0.003. The negative regression coefficient value indicates that the HDI

has a negative influence on the poverty rate. This means that if the HDI increases, the poverty rate tends to decrease. Because the significance value is less than 0.05 ($0.003 < 0.05$), the HDI has a negative and significant effect on the poverty rate in Palopo City. The results of this study indicate that improving the quality of human development can significantly reduce the poverty rate. The better the quality of education, health, and purchasing power of the community, the community's ability to meet their living needs will also increase, so that the poverty rate can be reduced.

According to the economic development theory proposed by Amartya Sen (Gumelar and Qomar 2025), human development is related to improving the capabilities and quality of life of the community through education, health, and economic access. The higher the quality of human resources, the greater the opportunity for the community to improve their welfare and escape poverty. This theory is in line with the results of this study, which shows that increasing the Human Development Index can reduce the poverty rate in Palopo City. The results of this study differ from the study conducted by Saragih et al. (2022), which showed that the Human Development Index did not have a significant effect on the poverty rate. The differences in the results of this study may be influenced by differences in the research area, research period, socioeconomic conditions of the community, and differences in the characteristics of the data used.

Based on field conditions in Palopo City, the increase in the Human Development Index (HDI) can be seen from increased access to education, health services, and the community's economic capacity. These conditions help people obtain better jobs and incomes, thereby reducing poverty levels. Furthermore, government programs in education and health also contribute to improving the community's quality of life. Therefore, it can be concluded that the Human Development Index (HDI) has a negative and significant influence on the poverty rate in Palopo City. This indicates that improving the quality of human development can be a significant factor in reducing poverty levels.

The Simultaneous Effect of Income Inequality, Unemployment, and Human Development on Poverty Levels in Palopo City

Based on the results of the simultaneous test (F test), the calculated F value was 11.012 with a significance value of 0.007. This significance value is smaller than 0.05 ($0.007 < 0.05$), so it can be concluded that the variables of income inequality, unemployment rate, and Human Development Index (HDI) together have a significant effect on the poverty rate in Palopo City. This shows that the three variables have a relationship and contribute simultaneously in explaining changes in the poverty rate. The results of this study indicate that the poverty rate is not only influenced by one factor, but is influenced by a combination of several economic and social factors. Income inequality, unemployment rate, and the quality of human development can together affect the condition of community welfare. The better the quality of human development and the more equal the distribution of income and employment opportunities, the poverty rate tends to decrease.

According to the economic development theory proposed by Michael P. Todaro (Maharani et al. 2024), poverty is a multidimensional problem influenced by various factors, such as income distribution, employment opportunities, education, health, and the quality of human resources. Therefore, poverty alleviation efforts must be carried out comprehensively by improving the quality of human development, job creation, and income equality in society. This theory is in line with the results of this study which show that income inequality, unemployment rate, and HDI simultaneously have a significant effect on the poverty rate in Palopo City. The results of this study are in line with research conducted by Mulyani et al. (2024). The study showed that simultaneously these three variables have a significant effect on the poverty rate in Aceh Province. These findings confirm that improving the quality of human development and economic equality are important factors in efforts to reduce poverty levels.

Based on field conditions in Palopo City, the poverty rate is influenced by the community's economic conditions, job opportunities, and the quality of education and health. Persistent income inequality, limited employment opportunities, and the unequal distribution of human resources can impact the community's ability to meet their living needs. Therefore, policies are needed that can improve the quality of human development, expand employment opportunities, and encourage income equality. Therefore, it can be concluded that income inequality, the unemployment rate, and the Human Development Index (HDI) simultaneously have a significant influence on the poverty rate in Palopo City. This indicates that reducing poverty requires integrated efforts through improving the quality of human resources, equalizing income, and reducing unemployment.

CONCLUSION

Based on the results of research on the influence of income inequality, unemployment rate, and Human Development Index (HDI) on poverty levels in Palopo City, the following conclusions can be drawn:

1. Income inequality has a positive effect on poverty levels in Palopo City, but it is not significant. This indicates that increasing income inequality tends to increase poverty levels, but this effect is not statistically strong enough to determine whether income inequality is a major factor determining poverty levels in Palopo City.
2. The unemployment rate has a negative effect on the poverty rate in Palopo City, but it is not significant. This indicates that changes in the unemployment rate have not significantly impacted the poverty rate. This situation may be influenced by the presence of the informal sector and other sources of income that people still rely on to meet their living needs.
3. The Human Development Index (HDI) has a significant negative impact on poverty levels in Palopo City. This indicates that the higher the quality of human development, including

education, health, and purchasing power, the lower the poverty rate. Therefore, improving the quality of human resources is a crucial factor in poverty alleviation efforts.

4. Income inequality, unemployment, and the Human Development Index (HDI) simultaneously significantly influence poverty levels in Palopo City. This indicates that poverty levels are influenced by a combination of economic and social factors, necessitating integrated policies that improve human development, promote income equality, and expand employment opportunities to reduce poverty in Palopo City.

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