

ABSTRACT

Poverty is complex and multidimensional, making this problem an topic of discussion that never ends. Indonesia is one of the developing countries that is still trying to free itself from the problem of poverty, especially in rural areas.

This study aims to analyze the effect of labor/employee wages, rice field area, education level, farmer exchange rate and village fund allocation on rural poverty in Indonesia in 2015-2022. With a sample of 15 provinces with the highest rural poverty category in Indonesia. The analysis tool used is Eviews version 12 with a significance level of 5%. Fixed Effect Model is the best panel data approach in this study.

The results of the study show that partially each independent variable has a negative and significant effect on rural poverty in Indonesia, with the exception of the variable area of rice fields. However, simultaneously the independent variables have a significant effect. The level of education has the most dominant influence on rural poverty in Indonesia.

Keywords: Poverty, Rural, Panel Data, Fixed Effect Model.