

Reducing the Poverty Level in Indonesia: The Impact of Education for Women, the Absorption of Women Labor, Economic Growth, and Government Spending

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Abstract: Ending poverty in all its forms is a primary goal for countries participating in achieving the Sustainable Development Goals (SDGs) and is a public policy agenda in each of their respective nations, including Indonesia. The relatively high poverty rate in Indonesia poses a challenge to realising this goal, given that poverty is widespread across the country and disproportionately affects women. This necessitates empirical studies to formulate alternative evidence-based policies, particularly those that empower women. Variables such as women's education, labour absorption, economic growth, and government spending on education and health can reduce poverty in Indonesia's regions. This study aims to analyse the impact of these variables on poverty reduction through a fixed-effect panel data regression analysis of 34 provinces in Indonesia from 2013 to 2022. The results indicate that women's education, labour absorption of women, and government spending on education and health are statistically significant in reducing poverty. This underscores the need for government attention to budget allocation for education and health to enhance human capital among the poor, facilitating their integration into the labour market. Economic growth should be directed towards inclusive growth so that all poor populations can participate in driving the economy, ultimately enabling them to rise above the poverty line and move towards gender equality.

Keywords: poverty; women; education; labour absorption; economic growth; government spending

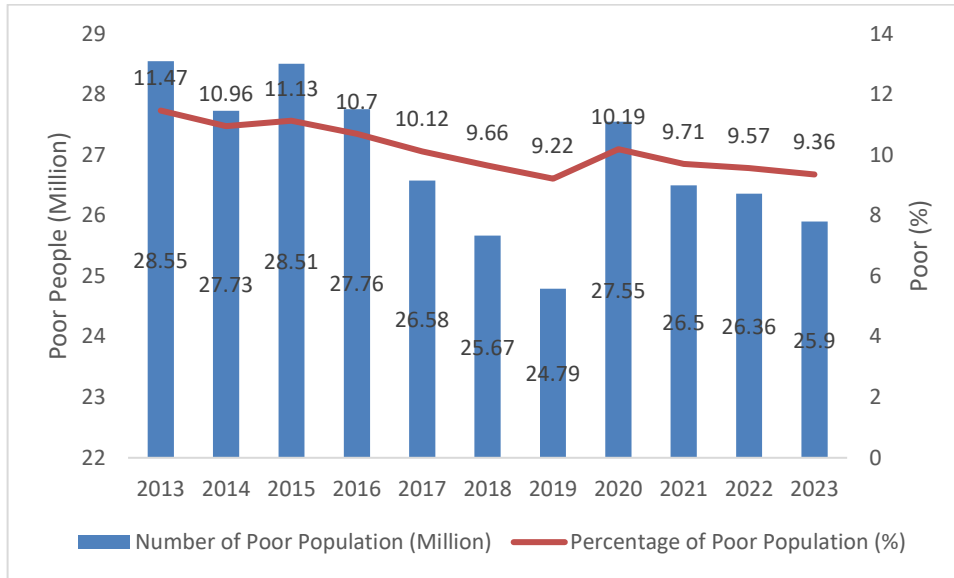
Introduction

Poverty becomes a challenge for the development of every nation because it affects the process and quality of development by inhibiting productivity, competitiveness, and environmental damage, which will later impede the achievement of the welfare of a country's population (Mansi et al., 2020). Poverty refers to the inability of the population, based on the economic perspective, to meet basic food and non-food needs as measured by expenditure (BPS-Statistic Indonesia, 2023). It is a multidimensional phenomenon (D'Attoma & Matteucci, 2024) and poverty is a complex social issue (Decerf, 2022). Based on this definition, every country must try various strategies to solve it. Overcoming poverty is reinforced by the Sustainable Development Goals (SDGs) forum which determined the No. Poverty program as their main target, without ignoring the other 16 goals, is still strongly correlated with poverty (Zhou, 2017).

In Indonesia, as one of the developing countries, the problem of poverty is still the focus of all stakeholder components. This is indicated by the poverty rate, both in absolute and relative terms, which is still high, although it tends to decrease. The number of poor people in 2013 was 28.55 million, reduced to 25.9 million in 2023 or reduced by 265 thousand people per year on average. The percentage of poor people in 2013 was 11.47 per cent and decreased

to 9.36 per cent in 2023. In other words, it is reduced by 0.21% in every depicted year. The poverty rate still exceeds the government's target as stipulated in the National Medium-Term Development Plan (RPJMN) for the 2020-2024.

Figure 1. The Number of Poor Population and Percentage of Poor in Indonesia in 2013-2023



Source: BPS (2024).

Recent literature that attracts academics and practitioners is the link between gender inequality and poverty. Gender inequality is a social issue of global interest because it can contribute to a country's poverty (Nieuwenhuis et al., 2018; UN Women, 2024). Several empirical studies that analyze the link between gender inequality and poverty, e.g. Nailufar et al. (2023) found that a 1% increase in the Gender Inequality Index correlates with an increase in poverty, which was at 3.09% in Aceh. Kanat et al. (2023) found that gender inequality exacerbates poverty in Pakistan. The latest finding, Kaushik (2024) stated that gender inequality significantly contributes to poverty, creating a cycle that disproportionately impacts women in India. In addition, gender inequality contributes to poverty by limiting women's access to education, economic opportunities, and decision-making, making their vulnerability and reducing their earning potential more serious (Soy et al., 2024).

The fifth SDG goal, referring to gender equality, is powerfully relevant to the strategies to alleviate poverty in every country, including Indonesia. Nadeau et al. (2013) emphasizes that poverty can only be overcome when women and men have equal access and opportunities. According to UN Women (2024), gender equality is a powerful catalyst for reducing poverty and realising sustainable development by ensuring equal access to opportunities and decision-making on various matters that can then create healthier and stronger socio-economic conditions. Ramos et al. (2020) found that gender inequality remains high and is related to poverty in Mexico, which is characterised by men being more unequal than women while women are poorer than men. Adoho & Alpaslan (2024) applied the overlapping generation model for a study in Côte d'Ivoire and emphasised that reducing poverty requires policies to reduce gender bias in the labor market, increase women's bargaining power, and reduce bias against girls' education.

One important strategy to improve gender equality is by empowering women through education and giving equal access to men and women (Unesco 2019). Women's education and entrepreneurship development play a significant role in reducing poverty in transition economies (Korosteleva & Stępień-Baig, 2020). A study found that higher female school enrollment negatively impacted the poverty ratio in Africa (Uzonwanne, 2020). Empowering women through gender-responsive family education can strengthen their position in decision-making for their families, such as health and education, which can ultimately reduce poverty levels (Wei et al., 2021). An increase in women's education by one standard deviation is associated with a decrease in poverty levels by about 0.98 points (Hong et al., 2019). In female-headed households, education level is an essential predictor of economic empowerment, which enables households to get higher incomes and food security (Osinya et al., 2019). This explains that the higher the education level of women, the higher the quality of human capital so that they will have a better chance of getting a job. Higher education positively correlates with income (Perkins et al., 2013). Education levels, especially among women, have

been recognised as a critical driver of socio-economic development and poverty reduction (Bacia K, 2024). However, Nursini et al. (2024) found that average years of schooling for women had no impact on increasing the income of poor households in coastal areas of South Sulawesi, Indonesia.

Providing women access to higher education positively impacts the absorption of women's labor, gender equality, and poverty reduction (Rohmatilah, 2023; Tsoy Marina P, 2022). Women's involvement in the labour market can increase women's income and poor households (Nisak & Sugiharti, 2024). Women's participation in work can help meet family needs and increase household income in Indonesia (Undai Nurbayani et al., 2021). Women's Economic empowerment can free entire families and communities from poverty (Mulugeta, 2021). Women's entrepreneurship significantly contributes to poverty alleviation by increasing family income and improving access to health services, education, clothing, and housing, thereby meeting essential family needs in low-income households in Nigeria (Akpor-Robaro Masoje O. et al., 2024). Thus, women's labour plays a significant role in poverty alleviation by increasing household income, encouraging asset accumulation, and promoting economic independence.

Referring to the classical theory that economic growth can absorb labour, increase the income of the community as a whole, and reduce poverty (Nallari & Griffith, 2011; Perkins et al., 2013). Several empirical studies have found that economic growth can encourage increased income of the poor then reduce poverty, such as (Iniguez-Montiel & Kurosaki, 2018) di Mexico, Kouadio & Gakpa (2022) di West Africa, Arkum & Amar (2022) in Indonesia. Economic growth can encourage productivity and increase wages, which contribute to poverty reduction (Yuliany et al., 2022). However, contradictory findings such as (Mulok et al., 2024) found that economic growth is necessary but could not accelerate poverty reduction in Malaysia. This study aligns with Tridico (2010) in the Transition Economy and Efendi et al. (2019) in Indonesia.

Debate on the relationship between economic growth and poverty has prompted scientists to look for other variables that play a role in reducing poverty. Referring to Keynes argued that economic imbalances, such as unemployment and inflation, can trigger poverty (Mankiw, 2013, 2021). Keynes argued that economic imbalances, such as unemployment and inflation, can lead to poverty (Nallari & Griffith, 2011). For this reason, the government must play an active role in stimulating the economy by intervening at the macroeconomic level through fiscal policy (E-Philip Davis & Miguel Sanchez-Martinez, 2015; Nursini & Tawakkal, 2019), through a panel fund regression analysis of 34 provinces in Indonesia, found that local government spending can reduce davispoverty in Indonesia. Government expenditure on education and health can enhance labour productivity, positively impacting the living standards of the population (Jouini et al., 2018; Nursini, 2020). In the context of poverty, the government needs to improve the quality of human resources by allocating more of the budget to the education and health sectors. Investment in education to enhance a nation's human resources is urgent, so the government must ensure the capacity and possibility to access education. Government spending does not continually improve the standard of living of the poor (Nursini et al., 2018; Wicaksono & Amir, 2017).

The relationship between gender equality and poverty attracts various parties, proven by the emergence of several previous empirical studies but limited discussion of Indonesia cases. Gender inequality in Indonesia is still recorded as high, reaching 0.447 in 2023, which reflects the suboptimal achievement of human development due to inequality in the accomplishment of development by men and women (BPS-Statistics Indonesia, 2021). The contribution of women's income and education is still much lower than that of men, as indicated by the Gender Development Index (IPG) of 90.19 in 2013 and 91.85 in 2023. This suggests that efforts to reduce gender inequality by increasing women's education levels and opening up women's access to the labour market are prioritised at the national and regional levels. Nursini et al. (2024) tested the effect of one of the variables of women's education levels on the income of poor households. Still, they only focused on coastal areas in one province in Indonesia. This does not describe the macro effects of the role of women's education in reducing poverty. Economic growth and government spending variables influence poverty reduction, but the results of empirical studies have caused debate. Previous empirical studies have partially observed the influence of women's education levels, female labour absorption, economic growth and government spending on poverty reduction and generally, in single-country cases, are still very limited at the regional level so that policy implications have not been comprehensively and described explicitly at the regional/regional level. This study aims to simultaneously analyse the influence of women's education, female labour absorption, economic growth, and government spending on education and health functions on poverty using panel data from 34 provinces in Indonesia from 2013-2022. This study contributes to enriching the theory of gender-perspective economic development, strengthening the theoretical relationship between gender equality in education and employment and poverty, and providing a basis for gender-responsive, inclusive and sustainable budgeting policies in overcoming

poverty and fighting for gender equality in Indonesia and other developing countries. Thus, the findings will be relevant domestically and have global implications for achieving sustainable development goals.

Research Method

Data and Materials

This study employs secondary data in the form of panel data for 34 provinces in Indonesia covering the period from 2013 to 2022. The 34 provinces include Aceh, North Sumatra, West Sumatra, Riau, Jambi, South Sumatra, Bengkulu, Riau Islands, Bangka Belitung Islands, Banten, DKI Jakarta, West Java, Central Java, DI Yogyakarta, East Java, Bali, West Nusa Tenggara, East Nusa Tenggara, West Kalimantan, Central Kalimantan, South Kalimantan, East Kalimantan, North Kalimantan, North Sulawesi, Central Sulawesi, South Sulawesi, West Sulawesi, Gorontalo, Maluku, North Maluku, West Papua, and Papua. The panel data consists of a combination of cross-sectional data from 34 provinces and time series data spanning 10 years. Consequently, the total number of observations in the panel dataset amounts to 340, resulting from multiplying the time series data by the cross-sectional data.

The secondary data from the Statistics Indonesia (BPS) website (<https://www.bps.go.id/id>) includes women's average years of education, the number of female labour force participants, economic growth, and poverty rates. Meanwhile, the data on government expenditure for education and health functions is obtained from the Ministry of Finance of Indonesia, precisely the Directorate General of Fiscal Balance (DJPK), at <https://djpk.kemenkeu.go.id>. The poverty level was measured from the percentage of communities living under the poverty line compared with the total number of communities residing in each province between 2013 and 2022. The women's education (Education_W) was measured from the average education level obtained by women in each province. The vacancies for women (Labor_W) refer to the number of women actively involved in economic activities, measured as the proportion between women who work and the total number of working-age women. Economic growth (Growth) was estimated based on the progress of the latest value of goods and services from year to year. Government spending (GovSpending) was measured from the total expenditure on education and health.

The sample consists of panel data from 34 provinces in Indonesia observed over a ten-year period, selected based on data availability and consistency across provinces.

Model Estimation

The analysis model employed is a Fixed Effects Regression Model (FEM), utilizing E-Views software for data processing. The estimation model equation as follows.

$$Pov_{it} = \alpha_0 + \alpha_1 Education_W_{it} + \alpha_2 Labor_W_{it} + \alpha_3 Growth_{it} + \alpha_4 GovSpending_{it} + \mu_i + \varepsilon_{it}$$

Pov is the percentage of poor population in each province, Education_W is the average last education of women, Labor_W is the absorption of female labour, Growth is economic growth, GovSpending is the total aggregate of government spending realisation for education, and health functions. α_0 is a constant, α_1 , α_2 , α_3 , α_4 are regression coefficients, i is the province, t is time, and μ_i is province fixed effect, ε_{it} the error term., province fixed effect, ε_{it} is error term.

Three models can be used to observe the relationship between variables using panel data, namely the Common Effect Model (CEM), the fixed effect model (FEM), and the random effect model (REM). According to (Gujarati D, 2012), determining which model is more appropriate for a study depends on the test results. Furthermore, the Chow Test is used to determine the accuracy between CEM and FEM, the Hausman Test to determine the right choice between FEM and REM, and the Lagrange Multiplier Test to choose between CEM and REM. Based on the results of the Chow Test, the Cross-section Chi-Square probability value of 0.0000 is smaller than alpha 0.05, which means that the FEM model is more appropriate than REM. Furthermore, the Hausman test results produce a Cross-Section Random probability value of 0.04. This figure is smaller than alpha 0.05, so the FEM model is more appropriate than REM. Thus, the fixed effect model is more suitable for this study to observe the effect of women's education, female labour absorption, economic growth, and government spending on poverty reduction (Gujarati D, 2012).

Results

We performed a statistical test before analysing the estimated results to ensure that the data fulfilled classical assumption requirements. The classical assumption test for panel data use includes normality, multicollinearity, and heteroscedasticity tests. However, there are situations, such as with panel data, where not all classical assumptions can be directly applied. In the case of panel data, typically only tests for multicollinearity and heteroscedasticity are performed (James H. Stock & Mark W. Watson, 2008; Schäper et al., 2024) with results as follows:

Table 1. Uji Multicollinearity

	<i>Education_W</i>	<i>Labor_W</i>	<i>Growth</i>	<i>GovSpending</i>
<i>Education_W</i>	1.000000	-0.447262	-0.101161	0.021608
<i>Labor_W</i>	-0.447262	1.000000	0.112792	-0.081500
<i>Growth</i>	-0.101161	0.112792	1.000000	-0.167190
<i>GovSpending</i>	0.021608	-0.081500	-0.167190	1.000000

Source: Author's own compilation

Based on multicollinearity testing, this study does not show symptoms of multicollinearity as the coefficient of relationship between independent variables is less than 0.8 per cent (Hill et al., 2017). This indicates that all independent variables have met the requirements of the Classical assumptions of multicollinearity testing.

Table 2. Heteroscedasticity Test

<i>Variable</i>	<i>Coefficient</i>	<i>t-Statistic</i>	<i>Prob.</i>
<i>C</i>	8.649826	2.359487	0.0189
<i>Education_W</i>	0.060531	0.650367	0.5159
<i>Laborw_W</i>	-0.026991	-1.483504	0.1390
<i>Growth</i>	-0.003095	-0.464341	0.6427
<i>GovSpending</i>	-0.204941	-1.637619	0.1025

Source: Author's own compilation

On the other hand, Based on Table 2., Heteroscedasticity Test, if the probability value is more significant than $\alpha = 5\%$, there are no symptoms of heteroscedasticity. Conversely, if the probability value is smaller than α , there are symptoms of heteroscedasticity. Based on these provisions, because the probability value of each variable is more than 0.05, it can be concluded that in this regression model, there is no heteroscedasticity. Based on estimates using a fixed effect model, the influence of women's education, female labour absorption, economic growth, and government spending on poverty reduction are presented in Table 3 below.

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Table 3. Estimates of the influence of women's education, female labour absorption, economic growth, and government spending on poverty reduction in Indonesia.

Dependent Variable = Pov				
Variables	Coefficient	Std. Error	t-Statistic	Prob.
Constant	50.55204	6.736446	7.504260	0.0000
Education_W	-0.840198	0.171027	-4.912680	0.0000
Labor-W	-0.103285	0.033433	-3.089355	0.0022
Growth	-0.000374	0.012250	-0.030543	0.9757
GovSpending	-0.776749	0.229963	-3.377715	0.0008
R-squared	0.988056			
AdjR-squared	0.986593			
F-statistic	675.2095			
Prob (F-statistic)	0.000000			

Source: Author's own compilation

Referring to Table 3., it is noted that the R-Square value of 0.988 means that 98.8 per cent of the variation in poverty is explained by the independent variables specified in the model, while other variables outside the model explain the rest (1.2 per cent). Another piece of information is that simultaneous testing (F test) produces an F count = 675.2095 with a probability of F count 0.0000 smaller than the probability α 0.05. This concludes that the independent variables in the model simultaneously reduce poverty. The criteria for partial testing are when the probability value is less than the significance level or alpha 5% or 0.05, and the variables are statistically significantly influencing, and vice versa. Individual testing (t-statistics) indicated that the variables of female education (Education_W), the application of female labour (Labor_W), and the aggregation of government spending for education and health (GovSpending) statistically influence the poverty level. At the same time, economic growth (Growth) is not significant at the poverty level.

The education variable (Education_W) shows a negative and significant coefficient on poverty with a probability value of 0.0000 < 0.05 with a coefficient = -0.840. This explains that a 1% increase in the average length of schooling for women will reduce poverty by 0.840 per cent. These results indicate that education in many countries is one of the strategies to bring communities away from poverty. A higher education will increase welfare as it positively correlates with income. Of course, it will positively impact poverty (Todaro & Smith, 2015). Education is vital because it improves human qualities, allowing us to work more productively. However, an adverse effect of education on poverty was also found. In this case, the data shows that the average length of schooling (RLS) continues to increase, but the percentage of poor people in Indonesia has decreased from 2013 to 2022. Education in human capital investment has four benefits, according to (Todaro & Smith, 2015) potentially creating a more productive workforce due to increased knowledge and skills, providing wider employment opportunities, creating educated and trained individuals, and providing various types of education and training programs that can ultimately improve the quality of human resources.

The labour absorption variable (Labour_W) shows a negative and significant coefficient on poverty with a probability value of 0.0022 < 0.05 with a coefficient = -0.103, which means that with every 1% increase in female labour absorption, poverty will decrease by -0.103 per cent. This result is in line with research conducted on developing country economies. Women are essential in reducing poverty because the supply of labour for economic activities increases. Overall, women's involvement in economic activities has several beneficial impacts on women and their families (Mulugeta, 2021). Women's empowerment also has a positive effect on poverty alleviation, and women beneficiaries have contributed to improving household income and living standards (GU & NIE, 2021).

The variable of government spending on education and health (GovSpending) shows a negative and significant effect on poverty with a probability value of $0.0008 < 0.05$ and a coefficient = -0.776 , meaning that every government spending on education and health increases by 1 per cent, poverty will reduce by -0.776 per cent. This result aligns with (Komarudin & Oak, 2020), which shows that government investment in health is negatively and significantly related to poverty levels. Other studies with similar results in Indonesia show that government spending significantly reduces poverty in Indonesia, with government spending on education having the most significant impact (Septriani et al., 2023).

Another variable, namely economic growth, did not significantly affect poverty during the study period. Economic growth that was not significant in reducing poverty levels is an example of the failure of the trickle-down effect in various provinces and regions in Indonesia, such as the Special Region of Yogyakarta, Riau Islands, DKI Jakarta, West Java, East Java, Gorontalo. These regions recorded relatively high economic growth but were accompanied by increasing inequality and poor people. This finding explains that economic growth in 34 provinces in Indonesia does not yet reflect inclusive economic growth. Economic growth is mainly contributed by the upper middle class and less by people experiencing poverty.

Discussion

Findings show that women's education can reduce poverty in Indonesia. It is supported by a finding confirming a strong relationship between education, payment, and happiness (Stryzhak, 2020). The positive correlation between women's education and poverty indicates that the initiative of national and regional governments to motivate women to go to higher school has alleviated the social status of communities in general, including women. The development of knowledge and technology, which has reached the countryside and even rural areas, has shifted the culture and stereotypes that developed among society. The improvement of access and the availability of physical infrastructure in rural areas has improved the equality of education between genders. Based on the official report from BPS, the percentage of women above 25 years old graduating from senior high school has been increasing and has surpassed that of men. The rate of women increased from 34.87% to 36.95% in 2021, while the men increased from 41.30% to 42.06% in 2022. It has improved the capacity and capability of women in economic activities and their social and economic lives. Working women usually find their salary positively correlated with their education levels (Perkins et al., 2013). Women's income in 2023 increased but was still below that of men. It indicates that women's education plays an essential role in improving income. Most micro, small, and medium business actors in Indonesia are mostly educated women.

The findings were also confirmed by Gaete & Gomez (2019) that education can eliminate poverty. The higher the education, the higher the welfare, and it positively correlates with their income, thus cutting poverty. High-educated women will contribute to increasing human resource quality in general. They will also show higher productivity, boosting the family income and reducing poverty. Women's education will also bring multiple effects, such as the reduction of birth rate and death among babies and toddlers, increases in the health of children (De Ridder et al., 2020) increased family resilience, and increased knowledge and capabilities of generations, which will ultimately break the cycle of poverty (Hunter et al., 1992). Women's education focuses on formal and non-formal education, such as skills training for women, MSME actors, managing their businesses and finances, etc. Those strategies have been implemented by the government, Bank Indonesia, universities, and NGOs. Nursini et al. (2021) found that education and training for micro and small businesses increased the competitiveness of women in coastal areas of South Sulawesi, which is measured by income aspects.

Improving women's education will also enhance their competitiveness in the workforce. Higher education tends to be positively correlated with the rate of job vacancies in business and industries (Mankiw, 2013; Perkins et al., 2013). It is proven that in Indonesia, the number of workers obtaining senior high school and university degrees sharply increased in the last four years, going from 55.02 million in 2020 to 63.51 million in 2023. It proves that job opportunities are increasingly open in the formal and informal sectors. Interestingly, women's involvement in the formal sector of the labour market increased from 34.65% in 2020 to 35.75% in 2023, although it is still lower than men's. BPS data noted that women's income contributions increased from 36 in 2018 to 37.01 in 2023. This indicates that women are more intensively active in public, and this is positively correlated with their education. The involvement of women in productive economic activities has escalated their income (Uzonwanne, 2020) and gradually minimised the gap, inequality, and poverty level. Chu & Zhang (2023) found that women's work-hour input increases household income more than men's.

The findings show that the involvement of women in the labour market stimulates an increase in the overall value of goods and services production, which in turn has a positive impact on women's income. This study is in line with

(Akpór-Robaro Masoje O. et al., 2024) that in transition economies, women play an important role because they can contribute to poverty reduction through additional labour supply for economic activities. Holistically, women's involvement in economic activities positively impacts them and their families (Mulugeta, 2021). Women empowerment also alleviates poverty, and women have been proven to contribute to improving family income and life standards (GU & NIE, 2021).

Considering the importance of human capital, the government has allocated a budget for education and health. In the long term, it will increase human resources competitiveness and quality. The study also found that government spending on education and health could reduce poverty. It indicates that the government has played a big role in widening access and improving the infrastructure for education and health. The provision of infrastructure facilitates all communities, including poor communities, to access education and health easily (Ali & Pernia, 2003). This study aligns with research (Komarudin & Oak, 2020), which shows that government spending in the health sector is negatively and significantly related to poverty levels. Collin et al. (2019) also indicates that government spending on health significantly reduces poverty in Indonesia. Government spending on education and health is a long-term investment in the quality of human resources. This investment can increase productivity, reduce health costs, and reduce poverty (Romer, 2012). Government spending directed at education and health also reflects the government's commitment to achieving social justice and reducing inequality. Considering the importance of investment in human capital, the Indonesian government has committed to allocating 30% of the APBN for education spending. Akbar et al. (2020) also found a negative relationship between education spending and poverty. In this case, a 1% increase in government education spending will reduce poverty by 0.22% in 20 Asian countries. However, this study contradicts (Taruno, 2019), who found that education and health spending did not improve the welfare of urban residents in Indonesia.

Earlier researchers have extensively carried out the economic growth variable, which has become an alternative government policy in various countries. Pro-poor and inclusive economic growth can lift the poor out of poverty, as proven by Iniguez-Montiel & Kurosaki (2018) di Mexico, Kouadio & Gakpa (2022) di West Africa, Arkum & Amar (2022) in Indonesia. However, this study found that economic growth did not reduce poverty. This indicates that implementing economic growth policies has not lifted the poor out of poverty problems. Insignificant poverty reduction promoted by Economic growth proves the failure of the Trickle-Down Effect in various countries, including Indonesia. The socio-economic and infrastructure availability discrepancies between provinces in Indonesia mainly cause a weak relationship between economic growth and poverty. Ali & Pernia (2003) found that infrastructure availability can boost farmers' income and non-agricultural worker productivity. Several provinces in Indonesia face high poverty at a time when economic growth is increasing, such as the Special Region of Yogyakarta, the Riau Islands, DKI Jakarta, West Java, East Java, and Gorontalo. This finding explains that economic growth in 34 provinces in Indonesia is not yet inclusive. Most of the economic growth is still contributed by the upper middle class and less by the poor, and the distribution of growth is uneven, so all levels of society do not feel the benefits of growth. This result is in line with (Mulok et al., 2024), who also found that economic growth is a demanded condition, yet it is still unable to reduce poverty in Malaysia. This aligns with the study (Tridico, 2010) for transitional economic countries and Indonesia (Efendi et al., 2019).

Conclusion

The study evaluates the impact of women's education, female labour absorption, economic growth, and government spending on health and education on poverty in Indonesia. The findings show that those aspects could reduce the poverty in the country. It explains that the increase in the average length of women's education and their participation in the workforce increases their income and reduces poverty. Also, the rise in government spending on education and health impacts human capital quality, consequently improving work productivity and revenue. However, the findings show that economic growth does not reduce poverty. It indicates that economic growth has not positively influenced all layers of society, especially the poor.

The study recommends that (i) policies to improve the capacity and capability of women through formal and informal education have to be intensified, (ii) the environment must be made conducive for women to participate in economic activities, such as providing childcare facilities, services reproductive health, and access to business capital. (iii) the allocation of government spending to expand access and provide quality and even basic infrastructure throughout all regions, especially in remote areas, has to be improved; (iv) Fourth, the government should plan empowerment programs for women for poverty alleviation to increase capacity and productivity. women in contributing to economic growth. (v) Women's empowerment programs must be integrated with poverty alleviation programs, such as training

and skills improvement for productive economic groups. Micro, small, and medium enterprises (MSMEs) must ensure that economic growth is pro-poor inclusive, and pro-gender.

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