PROCEEDINGS OF THE INTERNATIONAL CONFERENCE OF GRADUATE SCHOOL ON SUSTAINABILITY (ICGSS)

9th International Conference on Sustainability (ICoS9)
University of Merdeka Malang, September, November 9th, 2024
https://jurnal.unmer.ac.id/index.php/icgss

E-ISSN:
2721-13988

THE EFFECT OF SOCIAL CAPITAL ON HOUSEHOLD POVERTY REDUCTION IN GORONTALO PROVINCE

Siti Magfirah[1*], Irawati Abdul[1], Sri Indriyani S. Dai[1]
[1]Faculty of Economics and Business, Gorontalo State University
Corresponding author: sitimagfirah053@gmail.com

Abstract.

This study uses quantitative research methods with OLS (Ordinary Least Squares) data analysis techniques and Simple Linear Regression Analysis. One of the causes of household poverty is economic activities that meet various needs for goods and services. The commodity consumed is one of the indicators of household/family welfare. The data used in this study is SUSENAS data from 2021, which includes social capital for reducing household poverty in the Gorontalo Province area. In this study, the results of the analysis showed that social capital had a negative but not statistically significant effect on household poverty. On the other hand, the length of schooling, age, marital status, number of household members, and floor area have a positive and statistically significant influence on household poverty. Meanwhile, gender, business credit, primary employment, and housing status did not have a statistically significant effect on household poverty.

Keywords: Social Capital, Poverty, Household

1. Introduction

One of the problems that is still faced by the state of Indonesia is poverty. Poverty is a complex and multidimensional problem, so it is a development priority. So far, the Indonesian government has had many existing programs for poverty alleviation. Two strategies must be pursued in poverty alleviation efforts. First, protect families and poor groups by meeting their needs in various fields. Second, training should be conducted for them so that they can make efforts to prevent new poverty. Poverty alleviation efforts are carried out to realize the nation's ideals, namely, the creation of a just and prosperous society (Royat, 2015) in (Ferezegia, 2018).

One of the causes of household poverty is economic activities that meet various needs for goods and services. The commodity consumed is one of the indicators of household/family welfare. Food consumption for all household expenses can provide an overview of the welfare of the household. People's consumption patterns are indeed very dependent on the source of household income; the higher the household income, the more needs will be met. This is in accordance with Keynes' theory that "The size of people's consumption patterns is influenced by the size of income itself".

The Gorontalo Provincial Government realizes that improving the quality of the population is very important. The determination of the local government to improve the quality of the population is reflected in its vision, namely the realization of a superior, advanced, and prosperous Gorontalo community.

The problems that occur in Gorontalo Province are strategic problems; Gorontalo Province is not much different from other provinces, such as those at the national level. Gorontalo Province has a poverty problem like other regional areas because Gorontalo Province is one of the provinces with the fifth highest ranking and the highest poor population out of 34 provinces in Indonesia.

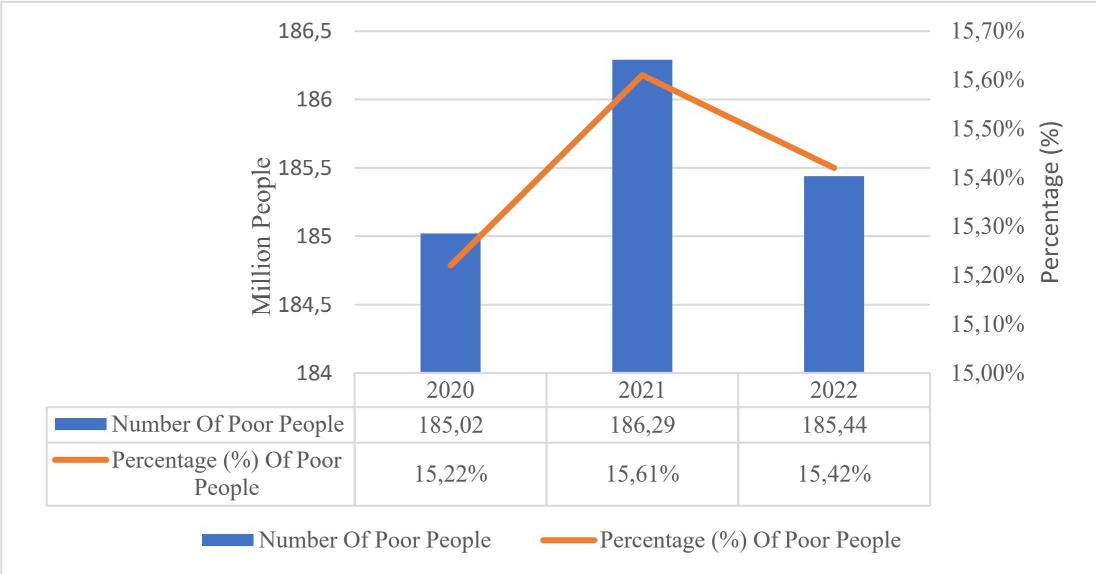

Figure 1. Percentage of Poor Population (Percent) and Number Poor (Soul) Population in Gorontalo Province Year 2020-2022
Source: Gorontalo Provincial Central Statistics Agency

Based on figure 1.1 above, it is explained that the percentage of the poor population and the number of people in Gorontalo Province are still relatively low, which every year in 2020 the number of poor people in Gorontalo Province is 185.02 people and in 2022 it is 185.44 people so that the number of poor people increases from 2020 to 2022. Meanwhile, the percentage of the poor population in 2020 was 15.22%, and in 2022 it was 15.42%.

Chambers (1995) in (Saputri, 2021) stated that one of the aspects of poverty is the dimension of social inferiority or the dimension related to social relationships. From Sen's perspective (1999b), poverty is understood as a "lack of ability," which means that the poor have limited resources (financial, informational, and other), so they cannot fully participate in society's life. In other words, the poor indirectly experience social exclusion.

Various strategies have been implemented to overcome the problem of poverty in Indonesia, but poverty remains a classic issue. One potential approach is the use of social capital. Socio-cultural aspects such as trust, tolerance, participation in joint activities (mutual cooperation), and the formation of groups and networks in society are still often ignored in the context of economic activities. In fact, differences in economic outcomes, both at the individual, household, and national levels, cannot be fully explained by differences in conventional development capital (human, natural, and physical), but are also influenced by the existence of social capital (Grootaert, 2001) in (Saputri, 2021).

ASDF Social capital has a real relationship with the level of household welfare. Social capital bridging contributes negatively to regional economic growth, while, on the contrary, it has a positive effect on productivity. (Nasution, 2017) found that the participation of heads of households in community organizations (as a social capital proxy) positively affects the

E-ISSN:
2721-13988

increase in household per capita expenditure, which is positively related to access to community organizations.

Social capital has a very high influence on the development and progress of various economic sectors. The development of social capital in the community will create a tolerant community situation and stimulate the growth of empathy and sympathy for community groups. Social capital can be considered a shared resource. Although specific social actors, such as business organizations or voluntary associations, can create social capital, it can also be produced or destroyed by other activities.

Social capital can affect household poverty in Gorontalo Province, with strong social networks, solidarity between citizens, and participation in social activities, which can help people support each other in difficult economic situations. Increased skills and job opportunities, which in turn can reduce poverty levels in households. With that, social capital can affect household poverty in Gorontalo Province.

Social capital has great implications for social and economic development because it encourages cooperation, innovation, and sustainability in a community. Understanding and strengthening social capital can be a key factor in building stronger and more sustainable communities. Significant impact on various aspects of life, including the economy, education, health, and the environment. People who have strong social capital tend to be more resilient, able to adapt to change, and have the ability to overcome various problems together. Therefore, understanding and strengthening social capital is an important part of sustainable community and societal development.

Social capital has a significant impact on various aspects of life, including the economy, education, health, and the environment. People who have strong social capital tend to be more resilient, able to adapt to change, and have the ability to overcome various problems together. Therefore, understanding and strengthening social capital is an important part of sustainable community and societal development.

2. Materials And Methods

2.1 Theoretical Studies

2.1.1 Poverty

According to Suparlan in (Pratama, 2019) Poverty is defined as the lack of valuable goods and objects that must be suffered by a person or a group of people who live in a very poor environment or lack capital. In terms of money, knowledge, social, political, and legal power, as well as access to public services, business opportunities, and further employment. Poverty refers to a situation where a person or group of people does not have the capacity, freedom, assets, and access to meet their future needs and is highly vulnerable to food prices.

According to Kotze in (Kadji, 2004) The poor have a relatively good ability to obtain resources through existing opportunities. Although sometimes outside assistance is used, this is not guaranteed, so the community has to rely on outside support. This empowerment approach is considered a failure because no community is able to survive, and the situation is getting worse.

2.1.2 Characteristics of Poverty

According to Soemardjan (Kadji, 2004) Outlines many ways of measuring poverty by different standards, and also pays attention to two types of 178Poverty:

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1. Absolute Poverty
   Absolute poverty is a condition in which a person's income is insufficient to meet basic needs such as food, clothing, shelter179179, and education.
2. Relative Poverty
   Relative poverty is a way to calculate 179poverty based on the income distribution ratio in an area. This type of poverty is said to 179be an issue because it is related to the distribution of income between the upper and lower classes.

Furthermore, according to Moeljarto in (Kadji, 2004) Set the poverty model as follows: The problem of poverty is not only a welfare problem, but also has six causes, including:

a) The problem of poverty is a problem of vulnerability and love.
b) Poverty is limited access to employment opportunities because the production relationship in 179the ambaran179179 does not give them the opportunity to participate in the production process.
c) Distrust, feelings of helplessness, emotional problems, and dealing with him without the opportunity for him to express themselves, thus making him helpless.
d) Poverty also means spending a large amount of income to consume food in limited quantities and of limited quality.
e) The dependency ratio is high due to the size of the family.
f) The existence of poverty continues to be contagious.

2.1.3 Causes of Poverty

Nasikun2 in (Suyriawati, 2010) Highlighting several sources and processes that cause poverty, namely:

a. *Policy Induces Processes*: the process of impoverishment that is preserved and reproduced through the implementation of a policy (induced by policy), including anti-poverty policies, but the reality is preservation.
b. *Socio-Economic Dualism: The ex-colonial countries experience poverty due to the Amarapura* production pattern179, that is, farmers become marginalized because the most fertile land is controlled by large-scale and export-oriented farmers.
c. *Population Growth*: a perspective based on Malthus' theory that population growth is like a measurement series, while food growth is like a counting series.
d. *Resources Management And The Environment: There are elements of mismanagement of natural resources and the environment, such as agricultural management that comes from logging, which* will reduce productivity.
e. *Natural Cycles and Processes*: Poverty occurs because of natural cycles. For example, living on critical land, where if it rains, there will be flooding, but if it is dry, there will be a shortage of water, so it does not allow maximum and continuous productivity.
f. *The Marginalization Of Women: the marginalization of* people because they are still considered a second-class group, so that access and appreciation for the work given is lower than that of men.
g. *Cultural and Ethnic Factors*: the work of cultural and ethnic factors that maintain poverty. For example, the consumptive lifestyle of farmers and fishermen during the harvest, as well as consumptive customs during traditional or religious ceremonies.
h. *Explotative Intermediation*: the existence of helpers who are supporters, such as loan sharks (land leeches).

i. *Internal Political Fragmentation and Civil Strife: A policy applied to an area where political fragmentation is strong* can be the cause of poverty.
j. *J. International Processes: The* work of the international system (colonialism and capitalism) has made many countries increasingly poor.

2.1.4 Household Poverty

The terms household and family are often equated in everyday life, although they have different meanings. The definition of a household is more focused on the economic aspect, while the family emphasizes kinship relationships, functions, and other things. A family can be defined as a group of people who live in one house and have kinship or blood relations through marriage, birth, adoption, and so on. BPS (2000) classifies households into two types, namely ordinary households and special households (Kinanti, 2006) in (Jacobus et al., 2019).

a) Ordinary Household
Ordinary household refers to an individual or group of people who live and inhabit an entire physical building or census-designated area. Generally, they live and gather to share the same kitchen. The concept of one kitchen includes management in financing daily needs and managing daily needs collectively.

b) Special Household
A special household refers to a group of people who live in a facility such as a dormitory or residence whose management is regulated by a certain person. Examples include student dormitories, correctional facilities, groups of more than 10 people living with dining facilities, ABRI dormitories, and the like. The concept of poverty is related to the ability of a person or household to meet basic needs, be it in the form of food or non-food goods.

2.1.5 Social Capital

Social capital is a community's authority to handle social problems, but it will not be effective if the community does not have the capacity to do so. Poverty is also defined as a situation where a person cannot take care of themselves according to the standard of living, and there is also a group that is unable to utilize their mental and physical energy.

According to Putnam in (Amalia, 2015) Putnam's social capital in 1996 states that social capital is part of a network of social life (networks, norms, and beliefs) that encourages participants to act together more effectively to achieve common goals. The central idea of social capital theory is that social networks and valuable social connections affect individual and collective productivity. Social capital theory can basically be summed up in two words: relationships. By establishing relationships with others and maintaining them over time, people can work together to achieve things that they can't do on their own or that may be very difficult to achieve. People are connected through a series of networks and tend to share the same values with other members of the network. As far as the network is a resource, it can be considered capital. In addition to providing immediate benefits, this capital can often be used in other contexts. Being part of a network and a shared set of values is at the core of the concept of social capital.

2.1.6 Social Capital and Its Relationship to Poverty

In this context, every community has an aspect of social capital, the difference in this social capital lies in the size and variety of its content. This variant also appears in its identification with several communities that have recognized and utilized their social capital, while there are still many other societies that have not fully optimized their various forms of

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use of social capital in dealing with social problems, especially poverty, can be observed in various ways, one of the most common examples is through joint action to improve the quality of life.

According to Narayan in (Amalia, 2015) Social capital is used among the poor to ensure their well-being against shocks, such as bad weather or cuts to governments and their resources, such as food, credit, or children. In addition to allowing poor people to start small businesses and increase their income, informal relationships often mean the difference in daily life. (Fountain 1998). In Tanzania, poverty is affected by making government services more effective, facilitating the dissemination of agricultural information, enabling groups to access their resources and manage as cooperatives, and giving people access to credit that has traditionally been difficult to achieve.

The results of this study are in line with (St. Agung Dwi Pramono, 2012), based on Measuring Social Capital. The results of the study show that:

- **Asset Ownership Against Household Poverty**
  Asset ownership on household poverty does not have a significant effect on household poverty. This is shown by the significance value on the logistic regression test of 0.271, which is far above 0.05. In this study, asset ownership has no effect on household poverty; this is due to the fact that the asset ownership of some respondents includes non-productive assets, such as houses and yards that are not productive, most of which are assets/assets obtained from family inheritance. In this study, the ownership of unproductive assets of most respondents did not contribute to the increase in income, which is an indicator of poverty.
- **Types of Work on Domestic Poverty**
  The results of the study showed that the type of work had a significant effect on household poverty. This result can be seen from the significance value of 0.002, which is far below 0.05. Thus, hypothesis 3 in this study, which states that 'It is suspected that there is an influence of the main type of work on household poverty', is accepted. The coefficient of the job type variable is -0.912. Thus, the value of e-0.912 = 0.402. So, if it is assumed that the other independent variables are fixed, then respondents who experienced an increase in the type of work by one category (in 5 categories in this study) were able to reduce household poverty by 0.402 times.
- **Social Capital on Household Poverty**
  The results of the study showed that social capital did not have a significant effect on household poverty. This result can be seen from the significance value of 0.345, which is far above 0.05. Thus, hypothesis 5 in this study, which states that 'There is an alleged influence of social capital on household poverty', is rejected. This is different from previous research conducted by Roslan Abdul-Hakim (2010), who stated that social capital plays an important role in poverty alleviation; Sirven (2006) stated that high social capital and high participation in social activities in a society are related to the low risk of a household becoming poor. In monetary and non-monetary terms, Okunmadewa et al. (2005) stated that social capital is influential in improving welfare and reducing poverty, and Matthew Morris (1998) stated that social capital affects the country's ability to reduce poverty.

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2.1.7 Social Capital Indicators

Social capital is a measure or parameter used to assess the various dimensions of social capital in a community or organization. Here are some common indicators that are often used to measure social capital:

1. Social Networks
   - Network Size: the number of social relationships a person or group has.
   - Network Strength: the quality and moderation of relationships, including how often and intensively they occur.
   - Network Variation: variety of relationship types (e.g., family, friends, co-workers) and network reach (local, regional, international)
2. Belief
   - Trust Level: the percentage of people in the community who believe that others in their community are honest and trustworthy.
   - Institutional Trust: the level of trust in institutions, such as governments, non-governmental organizations, and local companies.
   - Social trust: the level of trust of the community towards a certain group or individual in a social or economic context.
3. Norms and Values
   - Adherence to Norms: How well social norms are followed in the community, such as unwritten norms of behavior, ethics, and rules.
   - Value Consensus: The degree of agreement on shared values within the community, such as concern for shared well-being or social responsibility.
4. Community Participation
   - Participation Rate: The proportion of individuals involved in community activities, such as meetups, social events, and volunteer activities.
   - Type of Activity: The type of community activity that is followed, including participation in social organizations, work groups, and community projects.
   - Active Engagement: The frequency and quality of an individual's contributions to community activities, including leadership and initiatives.
5. Access to Resources:
   - Access to Information: The ability of individuals to access relevant information through their social networks.
   - Social Support: The availability of emotional, material, or practical support obtained through social relationships.
   - Social Mobility: The ability of individuals to utilize social relationships to improve their economic or social position.
6. Social Welfare:
   - Quality of Life: The level of life satisfaction and well-being that is affected by social capital, including mental and physical health.
   - Social Security: The level of security and protection felt in the community, including physical security and protection against social risks.
7. Collaboration and Cooperation:
   - Cooperation Frequency: How often individuals or groups work together to solve a problem or project.
   - Quality of Cooperation: The effectiveness and efficiency of collaboration, including the results achieved and satisfaction with the results of the cooperation.

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2.2 Research Analysis Methods

Data analysis was carried out with a quantitative approach, in which the influence of independent variables on dependent variables, especially in the context of poverty, was described. This study uses the OLS (Ordinary Least Squares) method and Simple Linear Regression Analysis to determine the independent variable that has the most significant influence on the dependent variable (Poverty). The results are then described by detailing the coefficient values obtained, followed by a discussion of research results associated with relevant theories and literature.

3. Result

3.1 Classical Assumption Test

A good model should also fit the classic assumption testing criteria used to find out if the research data is eligible for further analysis. The classic assumption tests carried out in this study are:

3.2 Normality Test

In this study, residual normality was tested using SPSS by looking at the P-P Plot. Normality is considered to be fulfilled if the residual data is evenly distributed around the diagonal line and follows a diagonal line pattern that indicates a normal distribution. If the test results show a pattern like this, then it can be concluded that the regression model meets the assumption of normality. Here is a patch from normality testing using the P-P Plot.

Normal P-P Plot of Regression Standardized Residual
Dependent Variable: Poverty

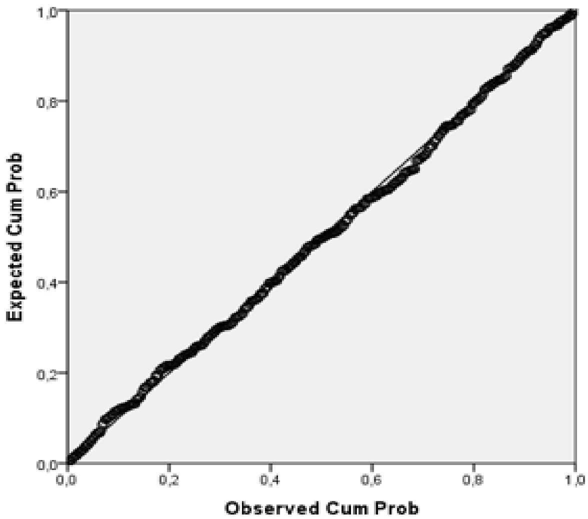

Figure 2. Normality Test Results
Source: Data Processed (SPSS), 2024

Based on the results of the above test, the points are close to the diagonal line, which shows that the regression model meets the assumption of normality. This indicates that the regression model is reliable and feasible to be used in further analysis.

However, the normality test with a p-plot image can be misleading because it looks visually normal, but statistically, it can be the opposite. Therefore, normality statistics were

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tested, namely Kolmogorov-Smirnov (K-S) and Shapiro-Wilk. Here are the results of the normality statistical test:

Table 1. Results of the Kolmogorov-Smirnov and Shapiro-Wilk Normality Test
Tests of Normality

	Kolmogorov-Smirnova			Shapiro-Wilk		
	Statistic	Df	Sig.	Statistic	Df	Sig.
Unstandardized Residual	,034	372	,200*	,998	372	,871

Source: Data Processed (SPSS), 2024

Based on Table 1 above, the significance value of the two tests exceeded 0.05 percent. This means that the data in the study is distributed normally. Therefore, both p-plot graphs and normal data testing are distributed.

3.3 Heteroskedasticity Test

In this study, the heteroskedasticity test was carried out using the Gleejser test. The Glesjer test is a hypothetical method used to evaluate whether a regression model shows signs of heteroscedasticity by regressing absolute residuals. If the significance value of the free variable (*independent*) is greater than 0.05, then the conclusion drawn is that there is no heteroscedasticity, or in other words, the data follows the assumption of homoscedasticity. The following are the results of heteroskedasticity testing:

Table 2. Heteroskedasticity Test Results
Coefficientsa

Model		Unstandardized Coefficients		Standardized Coefficients	t	Mr.
		B	Std. Error	Beta		
1	(Constant)	-,673	,896		-,752	,453
	Social Capital Index	-,080	,234	-,026	-,340	**,734**
	Length of School	,025	,018	,087	1,408	**,160**
	Gender	,096	,129	,041	,748	**,455**
	Age	,039	,106	,032	,367	**,714**
	Marital Status	-,070	,160	-,029	-,435	**,664**
	Household Size	-,146	,091	-,085	-1,613	,108
	Business Credit	,152	,116	,071	1,312	**,191**
	Main Jobs	,050	,159	,018	,316	**,752**
	Home Status	-,037	,169	-,012	-,222	**,825**
	Floor	-,186	,120	-,082	-1,551	**,122**

a. Dependent Variable: ABS_RES

Source: Analysis, 2024

Based on the results of the above test, the significance value for the independent variable with a predetermined significance level (0.05) was obtained, and the result was that the value of all variables was greater than 0.05. Therefore, it can be concluded that there are no heteroskedasticity symptoms in all variables.

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3.4 Regresi Linear Berganda

Multiple Linear Regression Analysis is a statistical method used to understand the linear relationship between several *independent* variables (X) and one *dependent* variable (Y). The purpose of this analysis is to find out the direction and strength of the relationship between the two variables

3.5 Coefficient of determination

Table 3. Determination Coefficient Test Results
Model Summary

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	,436a	,190	,168	,485

Source: Analysis, 2024

After obtaining an R-squared value of 0.436, the next step is to use the determination coefficient to find out how much influence the X variable has on the variable Y. This determination coefficient measures the proportion of the variation of *the dependent* variable that can be explained by *the independent* variable in the form of a percentage.

From the results of the calculation above, it can be concluded that the free variable (X) has an influence on the bound variable (Y) of 19 percent, and the remaining 81 percent is influenced by other variables outside the study. In this study, the data used is secondary data (SUSENAS, 2021), which is cross-sectional, and an R^2 value of 0.2 or 0.3 can be considered quite good (Gujarati, 2004).

3.6 Test F (Simultaneous)

Table 4. Test Results F

Model		Sum of Squares	df	Mean Square	F	Mr.
1	Regression	19,972	10	1,997	8,476	**,000b**
	Residual	85,067	361	,236		
	Total	105,040	371			

Source: Analysis, 2024

Based on Table 4, it can be seen that the Sig. The value of (0.000) is less than 0.05. Therefore, it was decided that the independent variable would be together with the dependent variable.

3.7 Test T (partial)

Table 5. T Test Results
Coefficientsa

Model		Unstandardized Coefficients		Standardized Coefficients	t	Mr.
		B	Std. Error	Beta		
1	(Constant)	13,519	,371		36,475	,000
	Social Capital	-,009	,096	-,006	-,094	,925
	Length of School	,013	,007	,102	1,801	**,072**

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Gender	-,014	,053	-,013	-,265	,791
Age	-,109	,044	-,196	-2,471	**,014**
Marital Status	,186	,067	,175	2,794	**,005**
Household Size	,156	,049	,153	3,153	**,002**
Business Credit	,004	,062	,003	,064	,949
Main Jobs	,018	,066	,015	,279	,780
Home Status	-,152	,070	-,107	-2,183	**,030**
Floor	,332	,049	,328	6,764	**,000**

a. Dependent Variable: Kemiskinan

*Note: ***) significant at 1%, **) significant at 5% and *) significant at 10%, b) not significant*

Source: Analysis, 2024

Based on Table 5, it can be seen that:

1) **The Effect of the Social Capital Index on Household Poverty**
From the results of the analysis that has been carried out, it is known that the Social Capital Coefficient value is -0.009 and the p value (Prob) for the variable is 0.925. The p-value obtained was greater than the significance level (10%). Thus, the decision is that social capital has a negative effect but is not statistically significant in household poverty.
2) **The Effect of School Length on Household Poverty**
From the results of the analysis that has been carried out, it is known that the School Length Coefficient value is 0.013 and the p value (Prob) for the variable is 0.072. The p-value obtained was less than a significant level (10%). Thus, the decision is that School Length has a positive and statistically significant effect on household poverty.
3) **The Effect of Gender on Household Poverty**
From the results of the analysis that has been carried out, it is known that the Gender Coefficient value is -0.014 and the p value (Prob) for the variable is 0.791. The p-value obtained was greater than the significance level (10%). Thus, the decision is that gender has a negative, but not statistically significant, effect on household poverty.
4) **The Effect of Age on Household Poverty**
From the results of the analysis that has been carried out, it is known that the Age Coefficient value is -0.109 and the p value (Prob) for the variable is 0.014. The p-value obtained was less than a significant level (5%). Thus, the decision is that Age has a negative and statistically significant effect on household poverty.
5) **The Effect of Marital Status on Household Poverty**
From the results of the analysis that has been carried out, it is known that the value of the Marriage Status Coefficient is 0.186, and the p value (Prob) for the variable is 0.005. The p-value obtained was less than a significant level (1%). Thus, the decision is that Marital Status has a positive and statistically significant effect on household poverty.
6) **The Effect of Household Size on Household Poverty**
From the results of the analysis that has been carried out, it is known that the Household Size Coefficient value is 0.156 and the p value (Prob) for the variable is 0.002. The p-value obtained was less than a significant level (1%). Thus, the decision

is that Household Size has a positive and statistically significant effect on household poverty.

7) **The Effect of Business Credit on Household Poverty**
From the results of the analysis that has been carried out, it is known that the Business Credit Coefficient value is 0.004 and the p value (Prob) for the variable is 0.949. The p-value obtained was greater than the significance level (10%). Thus, the decision is that Business Credit has a positive, but not statistically significant, effect on household poverty.

8) **The Effect of Primary Employment on Household Poverty**
From the results of the analysis that has been carried out, it is known that the Main Work Coefficient Value is 0.018 and the p value (Prob) for the variable is 0.780. The p-value obtained was greater than the significance level (10%). Thus, the decision is that Primary Work has a positive, but not statistically significant, effect on household poverty.

9) **The Effect of Home Status on Household Poverty**
From the results of the analysis that has been carried out, it is known that the value of the House Status Coefficient is -0.152 and the p value (Prob) for the variable is 0.030. The p-value obtained was less than a significant level (5%). Thus, the decision is that Home Status has a negative and statistically significant effect on household poverty.

10) **The Effect of Floor Area on Household Poverty**
From the results of the analysis that has been carried out, it is known that the Floor Area Coefficient value is 0.332 and the p value (Prob) for the variable is 0.000. The p-value obtained was less than a significant level (1%). Thus, the decision is that Floor Area has a positive and statistically significant effect on household poverty.

4. Discussion

4.1 The Effect of Social Capital on Household Poverty

Based on the results of the analysis that has been carried out in this study, the social capital variable has a negative effect, but it is not statistically significant on household poverty in Gorontalo Province, with a coefficient value of -0.009 and a prob value. by 0.925 > α. So it can be concluded that every 1 percent increase in social capital can reduce household poverty in Gorontalo Province by 0.009, but it does not have a significant or direct effect.

The above results are due to the fact that social capital is a concept that refers to networks, relationships, and social norms that can increase the productivity and well-being of individuals or groups. Social capital plays a role by providing access to a wide range of resources and information that are not available through formal channels. Strong social networks can help people find jobs, get loans, or receive assistance in the form of goods and services, thereby increasing their economic opportunities and well-being.

In addition, social capital provides important emotional and moral support for poor households. Support from social networks can improve psychological well-being and motivation, encouraging individuals to seek better economic and educational opportunities. For example, in difficult situations, the presence of supportive friends and family can provide encouragement to continue trying to get out of poverty. However, the influence of this support is indirect because its impact requires time and interaction with other factors.

Through participation in social groups and communities, individuals can acquire new skills and knowledge that can increase their capacity to increase income. Community savings

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and loan groups, for example, can provide entrepreneurship or financial management training. Social capital also strengthens solidarity and enables collective actions, such as mutual cooperation or cooperation in community projects, that result in economic benefits for households, such as the development of local infrastructure that improves access to markets or services.

Although social capital has an influence on reducing household poverty, it does not have a direct effect, and the impact is not always immediately visible. This can happen because social capital does not work directly to reduce poverty because it requires interaction with other factors such as education, public policy, and broader economic conditions.

For example, the components of social capital that are still low at the household level in urban areas are social networks and participation in social activities. People tend to be more individual, especially in financial matters, compared to people in villages. In fact, more people in Gorontalo Province live in urban areas.

The expansion of social networks and the increase in participation in social groups can be achieved by encouraging households to participate in religious activities and the development of social organizations in urban areas. Thus, the concept of social capital can play a direct role in reducing poverty in Gorontalo Province.

In line with the above statement, research conducted by Pramono (2012) shows that social capital does not have a significant influence on household poverty. The results of the study revealed that the six dimensions of social capital were not proven to affect the level of income used as an indicator of poverty. The six dimensions of social capital analyzed are Groups and Networks, Trust and Solidarity, Collective Action and Cooperation, Information and Communication, Social Cohesion and Inclusion, and Empowerment and Action Politics.

Research conducted by Yamin and Dartanto (2016) said that a network of friends, relatives, or close neighbors based on social beliefs can help poor households stay around the poverty line. In addition, the network makes it easier for poor households to get assistance, such as loans, through participation in community activities.

Based on two previous studies, it can be concluded that although social capital has an effect on household poverty. However, this influence cannot directly reduce household poverty. Social capital still needs other factors to influence household poverty.

4.2 Factors Affecting Household Poverty

1. The Effect of School Length on Household Poverty

Based on the results of the analysis that has been carried out in this study, the school age variable has a positive and statistically significant effect on household poverty in Gorontalo Province, with a coefficient value of -0.013 and a prob value. by 0.072 < 10%. So it can be concluded that every 1 percent increase in school length can increase household poverty in Gorontalo Province by 0.013.

The above is because if education is not supported by adequate economic conditions, the individual cannot meet his or her life needs properly, so poverty remains. High school length can be a trigger for an increased risk of poverty in households. The high cost of education can put a significant financial strain on families, especially if there are not enough resources to cover it.

The above statement is in accordance with research conducted by Nasution (2016), which shows that human capital, as measured through the level of education of the head of the household, has a positive and significant impact on household per capita expenditure, which ultimately increases the poverty rate.

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2. The Effect of Gender on Household Poverty

Based on the results of the analysis that has been carried out in this study, the gender variable has a negative effect, but is not statistically significant to household poverty in Gorontalo Province with a coefficient value of -0.014 and a prob value. by 0.791 > α. Therefore, it can be concluded that every 1 percent increase in gender can reduce household poverty in Gorontalo Province by 0.014, but it does not have a significant or direct effect.

The above results can be interpreted as a sign that the male gender can reduce household poverty in Gorontalo Province. Men often have greater access to higher-paying job opportunities. In addition, men have a strong social and cultural role as the main breadwinner, which encourages men to seek stable and well-paying jobs, thereby helping to increase income and reduce poverty in their households.

However, it does not mean that it is very difficult for a female to get a job and a fairly high income. Therefore, although the gender variable can reduce household poverty, it is not significant or directly affected. The results of this study are in line with research conducted by Direja (2021), which shows that gender does not have a significant effect on household poverty in Banten Province.

3. The Effect of Age on Household Poverty

Based on the results of the analysis that has been carried out in this study, the age variable has a negative and statistically significant effect on household poverty in Gorontalo Province, with a coefficient value of -0.109 and a prob value. by 0.014 < 5%. So it can be concluded that every 1 percent increase in age can reduce household poverty in Gorontalo Province by 0.014.

The above results can occur because older heads of households tend to have more access to productive assets than younger ones, which helps increase household income. In addition, older heads of households (beyond productive age) do not have an excessive lifestyle or are no longer interested in other tertiary and secondary needs, thus making household expenses lower.

In line with the above statement, Bogale et al. (2005) show that the probability of poverty in a family tends to decrease with the age of the head of the household. This decline may be due to the accumulation of assets that continue to increase with age, as well as the growth of children who become adults who can be an additional source of income for the family.

Rini and Sugiharti (2016) also showed that the age variable has a negative direction, which means that the older the head of the household, the more likely the household is to be in poverty status tends to decrease. Every increase in the age of the head of household will reduce the likelihood of the family being in poverty by 0.993 times.

4. The Effect of Marital Status on Household Poverty

Based on the results of the analysis that has been carried out in this study, the age variable has a positive and statistically significant effect on household poverty in Gorontalo Province with a coefficient value of -0.186 and a prob value. by 0.005 < 1%. So it can be concluded that every 1 percent increase in marital status can reduce household poverty in Gorontalo Province by 0.014.

The above results can occur because marriage causes individuals who were previously only responsible for themselves to have to manage financial needs not only for themselves, but also for their spouses and other Household Members (ART). This increased financial burden can be an additional burden for the household, especially if the spouse's income is insufficient.

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In addition, there is also the potential for a decrease in income if one of the spouses has to leave his or her job to take care of children or the household, thereby reducing the amount of household income as a whole. This can be an additional factor contributing to the increase in poverty in married households.

The results of this study are in line with research conducted by Hutahaean and Sitorus (2021), which showed that married households have a 1,795 times higher tendency to experience poverty compared to those who are not married.

Fadila and Utomo (2018) concluded that married households have a higher tendency to experience poverty, as much as 1,923 times compared to unmarried or divorced households, assuming other factors remain constant.

5. The Effect of Household Size on Household Poverty

Based on the results of the analysis that has been carried out in this study, the household size variable has a positive and statistically significant effect on household poverty in Gorontalo Province with a coefficient value of 0.156 and a prob value. by 0.002 < 1%. So it can be concluded that every 1 percent increase in household size can reduce household poverty in Gorontalo Province by 0.002.

The findings indicate that the more Household Members (ART) in a household, the higher the likelihood of experiencing poverty, because the increase in the number of ART also means an increase in needs that must be met. In addition, the increase in the number of household members results in a smaller per capita income/expenditure distributed among household members.

The increase in the number of household members causes the per capita income or expenditure available to be distributed among household members to become smaller and smaller. In other words, having more people to split income or accommodate needs can reduce the amount of resources available to each individual in the household. As a result, each member of the household may have to face greater financial constraints, which in turn can increase the risk of poverty due to limited resource allocation.

The results of this study are in line with the research conducted by Nasution (2016), which shows that the results of an inverse relationship between the number of household members and household expenditure indicate that the larger the number of household members, the higher the likelihood of poverty. Every increase in household size, measured by the number of household members, leads to a decrease in household per capita expenditure of 12.87 percent.

This confirms that the number of household members is a determining factor in determining household needs. With the increase in the number of members, household needs also increased, which meant a reduction in household income. These findings reveal that households with larger sizes tend to experience higher poverty rates compared to smaller households.

6. The Effect of Business Credit on Household Poverty

Based on the results of the analysis that has been carried out in this study, the business credit variable has a positive effect, but it is not statistically significant on household poverty in Gorontalo Province, with a coefficient value of 0.004 and a prob value. of 0.949 > α. So it can be concluded that every 1 percent increase in business credit can increase household poverty in Gorontalo Province by 0.949, but it is not significant or direct.

The above results can occur because although business credit is intended to increase capital and business ability, often families who take business credit are already in a vulnerable

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financial position. The credit is used to cover urgent needs rather than for productive investments that generate income. In addition to this, the inability to manage credit properly can lead to an increasingly large debt burden, resulting in more severe financial difficulties for households.

Households that have business credit face high risk. If the business funded by the credit fails or does not generate sufficient profit, the family will remain responsible for paying off the debt. Therefore, business credit has a positive but not significant influence, and business credit does not directly increase household poverty.

The results of this research are in line with research conducted by Suwartana and Suagian (2022), which found that agricultural households that receive Business Credit assistance are 1,718 times more likely to become poor households compared to households that do not receive credit assistance.

7. The Effect of Primary Employment on Household Poverty

Based on the results of the analysis that has been carried out in this study, the main employment variable has a positive effect, but is not statistically significant to household poverty in Gorontalo Province with a coefficient value of 0.018 and a prob value. by 0.780 > α. So it can be concluded that every 1 percent increase in primary employment can increase household poverty in Gorontalo Province by 0.949, but it is not significant or direct.

The above results reveal that households that work as farmers cannot improve their welfare, so they cannot get out of poverty. These findings show that although the agricultural sector is a primary sector, the non-agricultural sector or other types of employment remain an important source of income for households in Gorontalo Province.

Suwartana and Siagian (2022). The variable of the job status of the head of the household shows an odds ratio of 2.044. This means that heads of households working in the informal sector have a 2,044 times greater chance of being part of a poor household compared to heads of households working in the formal sector. This means that the status of the main job as a farmer is more vulnerable to poverty. Because the pertain is an informal sector.

8. The Effect of Home Status on Household Poverty

Based on the results of the analysis that has been carried out in this study, the house status variable has a negative and statistically significant effect on household poverty in Gorontalo Province with a coefficient value of -0.152 and a prob value. by 0.030 < 5%. So it can be concluded that every 1 percent increase in house status can reduce household poverty in Gorontalo Province by 0.030.

The above results can occur because one's homeownership status eliminates the need to pay monthly rent, which can be a significant expense for many households. By removing the burden of rental costs, families can allocate the funds to other needs, such as food, education, or health, which can improve their well-being and financial stability.

Owning your own home also provides higher security and stability. Households renting or contracting homes often face uncertainty regarding contract extensions or rising rents, resulting in unwanted moves and disrupting family stability. Homeownership reduces these risks and provides a more stable foundation for daily life, which in turn can help families focus on improving their income and living conditions.

In addition, home ownership can also be a significant form of long-term investment. Property values tend to increase over time, which means that the home you own can be a valuable asset. This could provide financial support in the future, either through an increase in

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the value of the property itself or through options such as selling or utilizing home equity for education or business loans.

Research conducted by Kharisma and Santoso (2021) also shows that households in the city of Bandung who have their own house will reduce their probability of being included in the category of very poor, poor, almost poor, and vulnerable to poverty. In addition, according to Sa'diyah, Yufi & Arianti (2012), asset ownership, especially residential building ownership, has an effect in reducing the probability of households being included in the poor category.

9. The Effect of Floor Area on Household Poverty

Based on the results of the analysis that has been carried out in this study, the house status variable has a positive and statistically significant effect on household poverty in Gorontalo Province with a coefficient value of -0.332 and a prob value. by 0.000 < 1%. So it can be concluded that every 1 percent increase in floor area can increase household poverty in Gorontalo Province by 0.332.

The above results occur because houses with larger floor areas generally require higher maintenance and maintenance costs. These additional costs include heating, cooling, cleaning, and repairs, all of which can be a significant financial burden for poor households. As spending on home maintenance increases, the remaining income available for basic needs becomes more limited, increasing vulnerability to poverty.

Larger floor area is often associated with higher property values, which can lead to higher property taxes. High property taxes can be an additional burden for poor households who are already struggling to make ends meet. This increase in costs can worsen households' financial condition, making them more vulnerable to poverty.

The larger floor area reflects the larger size of the household. The more members of the household, the greater the financial needs that must be met. Households with many members often face greater challenges in meeting the needs of each individual, which can ultimately increase the risk of poverty.

The results of this study are in line with the research conducted by Nasution (2016), which shows that the floor variable has a positive and significant effect on poor households in Rural areas. This increase in costs can worsen the financial condition of households, making them more vulnerable to poverty.

5. Conclusion

The results of the analysis showed that social capital had a negative but not statistically significant effect on household poverty. On the other hand, the length of schooling, age, marital status, number of household members, and floor area have a positive and statistically significant influence on household poverty. Meanwhile, gender, business credit, primary employment, and housing status did not have a statistically significant effect on household poverty.

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