

Employed but Still Poor: The Condition of Working Poor Households in Central Java, Indonesia

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Abstract

This study aims to chart the spread of working poor individuals across Central Java, based on the province's actual conditions, to determine if employment alone can help the population escape poverty, and to identify the factors that enable poor workers in Central Java to lift themselves out of poverty. This study utilizes data from the 2023 National Socio-Economic Survey, specifically for Central Java Province, which includes a sample of 51,881 workers. Data analysis was conducted using logistic regression, the results of which reveal that the districts of Blora and Grobogan exhibit the highest proportions of working poor individuals in the entire province. Having a job is insufficient on its own to avoid poverty; a combination of additional elements and criteria is necessary for an individual to maintain a satisfactory standard of living and avoid financial difficulties. Demographics, employment status, household circumstances, and location all have a statistically significant impact on a worker's prospects of overcoming poverty, with the exception of individuals aged over 60 years. Relevant government authorities and local stakeholders may implement various regulatory measures and policy initiatives, such as worker welfare programs, aligning education with labor market needs, promoting digital infrastructure, offering micro-enterprise incubation services, developing inclusive financial access, expanding social protection to cover informal sector workers, improving rural areas, encouraging diversified economic activities in rural, and enhancing connectivity between rural and urban areas throughout Central Java.

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1. Introduction

The persistent issue of poverty stands as the global community's primary concern that must be addressed as a matter of urgency within the framework of the Sustainable Development Goals (SDGs) by the year 2025. In developed countries, joblessness is often linked to poverty. In contrast, in developing regions, poverty is mainly an issue experienced by people who are working yet continue to be impoverished. Such individuals are commonly referred to as the 'working poor'. The working poor are characterised as employed individuals living in households that have incomes below the standard poverty threshold of US\$2.15 PPP (ILOSTAT, 2023; Pietschmann et al., 2016; World Bank, 2020). The primary challenge faced by low-income individuals in employment is substandard job conditions (Fields, 2019). A high working poverty rate indicates that a substantial portion of employed individuals continue to live in poverty. The current situation highlights subpar working conditions, low salaries (Bennett, 2013; Dobos, 2019), and the prevalence of informal employment (ILO, 2018, 2023). In contrast, non-poor workers are characterised by improved job quality, reasonable wages, and robust social welfare provisions. Reducing poverty, particularly for the working poor who are unable to lift themselves and their families out of poverty (Issembé, 2019), remains crucial to achieving the SDGs.

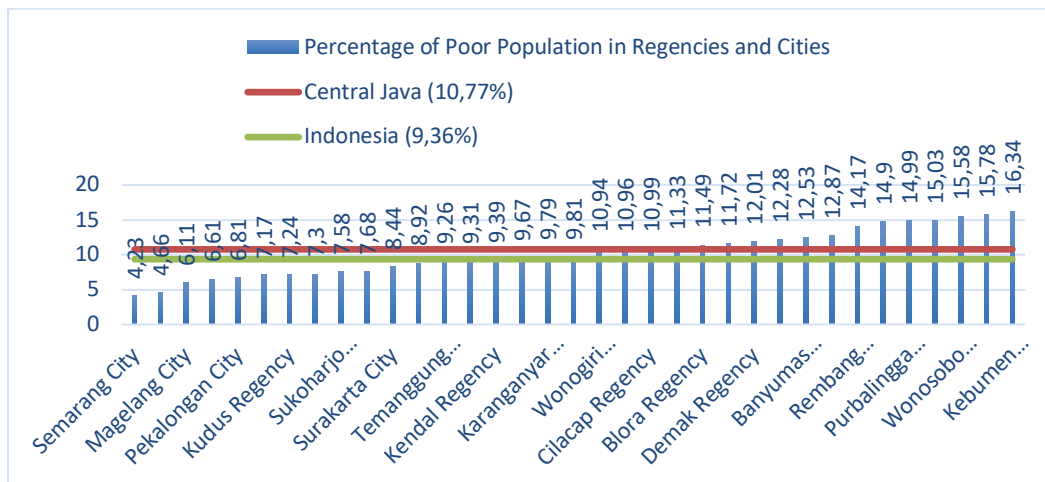


Figure 1. Percentage of the Poor Population in the Regencies and Municipalities of Central Java Province, 2023

Source: Adapted from Statistics Indonesia - Region Central Java (2023)

Despite being classified as an upper-middle-income country (Setkab, 2020), Indonesia still has regions with persistently high poverty rates, such as the Central Java Province. Central Java ranks second among Java Island's provinces in terms of the total number of impoverished residents, with a count of 3,791,500 individuals (Senjaya, 2023). According to Figure 1, the proportion of the population in Central Java experiencing poverty surpasses the

national average. Most of the regencies and municipalities in the province have poverty rates higher than the national average in Indonesia (BPS, 2022, 2023a). Addressing poverty in Central Java is a pressing issue that these circumstances highlight.

The dynamics of poverty today are often associated with the situation of the working poor—those in employment who continue to experience poverty—going beyond mere extreme poverty or household deprivation (Irawan, 2025). The primary challenge for Central Java in addressing poverty stems from the large number of people employed informally, including those in agriculture, micro-, small-, and medium-sized enterprises (UMKM), and casual workers, as noted by Riyono in 2025. It is assumed that informal employment makes a substantial contribution to the high incidence of working poverty. Research on working poor is relatively limited, with the majority of poverty studies focusing on macroeconomic indicators (Khaqiqi & Sugiharti, 2025; Nizar & Hasmarini, 2024; Yusuf & Mustofa, 2024).

This study aims to show the actual distribution of working poor individuals in Central Java, evaluate whether a job is sufficient to decrease poverty within the community, and determine the factors that allow poor workers to overcome poverty in the province. The study includes micro-level variables that cover individual and demographic characteristics, occupational elements, household aspects, and a newly added factor - location. Business ownership, as seen in studies by Nursini (2020), is a key component in the occupational domain that reflects entrepreneurship's effect on reducing poverty. Research by the World Bank reveals that having access to health insurance or social security at the household level is linked to novelty and is consistent with previous findings that associate such access with poverty reduction (Pangastuti, 2023) as well as geographical factors.

The researchers expect that this study will provide new insights into working-poor issues by conducting a focused analysis of Central Java, that the findings regarding the measured variables will offer precise and applicable standards for reducing working poverty and overall poverty, and that it will serve as a relevant collection of policy recommendations for policymakers involved in poverty reduction, applicable not only to Central Java but also to similar situations elsewhere.

2. Literature Review

The primary theoretical framework employed in this study is multidimensional poverty (Sen, 1999). According to Sen, poverty should not be solely defined by a person's income; it must be evaluated by other criteria, including the individual's essential capacity to live a meaningful and dignified life. Poverty research involving multiple dimensions is typically conducted by identifying specific aspects of deprivation experienced by households or individuals (Alkire & Foster, 2011). These deprivations also include education, health, employment, living standards, and access to basic and public services, among other things (Alkire et al., 2015; Pinilla-Roncancio et al., 2020). The MPI dimensions are utilised by the

United Nations (Kakwani & Son, 2025), Statistics Indonesia (BPS), and Indonesian social agencies.

The condition of the working poor is often linked to the aspects of deprivation found within multidimensional poverty. The factors comprise individual/demographic elements (Salam et al., 2024), employment factors especially in the informal sector (Gautié & Ponthieux, 2017; Sharif, 2018), and household elements including household circumstances, access to services, possession of assets, and geographical location (rural/urban) (Kause & Fithriyah, 2024). An employed individual may earn a wage or income, but they can still face deprivation in various aspects of life, such as unstable employment, reduced access to healthcare and vital services, and limited educational opportunities, all of which are closely linked to the condition of multidimensional poverty.

Research on working poor individuals in Hong Kong reveals that this demographic is a distinct focus area in poverty reduction initiatives (Cheung & Chou, 2016). Studies on low-income households reveal that individual, employment, and household factors play a crucial role in determining the poverty risks that these households encounter. This study incorporates research indicators from Cheung & Chou's (2016) previous work that remain pertinent to micro-level multidimensional poverty. The study being referred to examines macro- and micro-level factors, as illustrated in the accompanying graph.

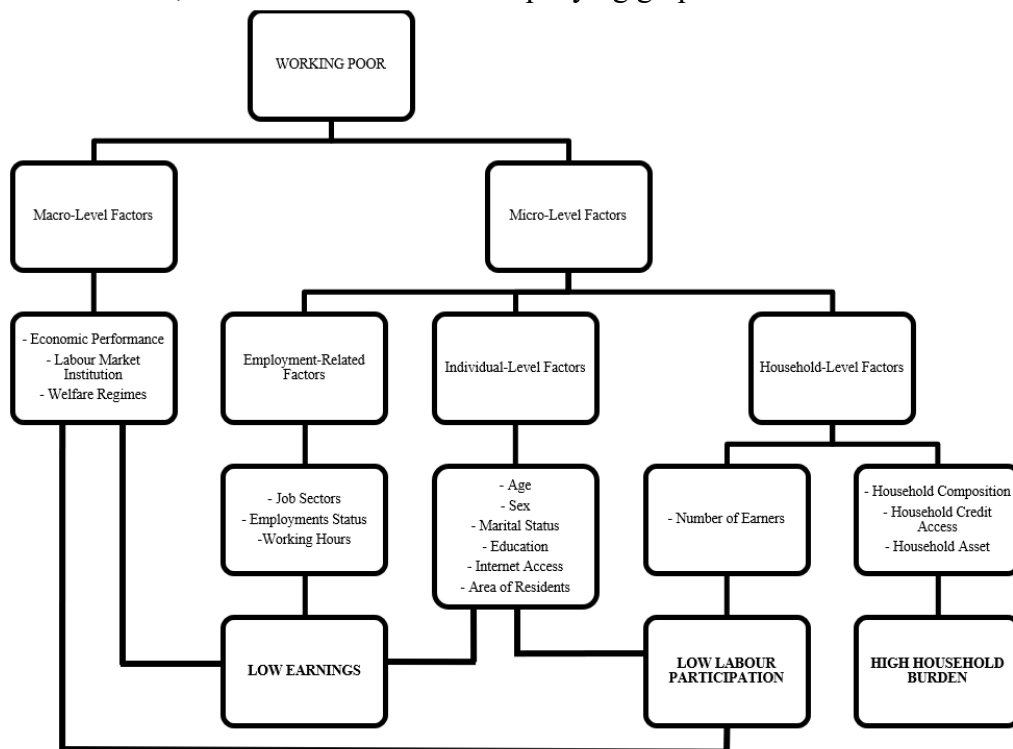


Figure 2. Factors Influencing Working Poverty at Macro and Micro Levels
 Source: Adapted from Cheung & Chou (2016)

Studies have provided further evidence supporting these factors by highlighting the role of gender in relation to the working poor (Broström & Jansson, 2023; Liu, 2019) as well as the effects of low wages on poverty levels (Mussida & Sciulli, 2025). Additionally, factors such as low skill levels among informal sector workers, part-time working hours, and early exit from education are associated with in-work poverty (Krutulienė & Miežienė, 2025). Other key factors include access to credit and financial accessibility, health insurance coverage, social welfare programs, business ownership, and geographic location considerations (Kandie & Islam, 2022; Tran et al., 2022), (Li et al., 2023; Zheng & Peng, 2021), (Meyer & Wu, 2018; Ortakaya, 2023), (Galloway et al., 2016; Khanam et al., 2018), and (Barbier & Hochard, 2018; Mukhtar et al., 2018). This study adapts the cited literature to Central Java by pinpointing key determinants such as demographic-individual factors, employment-related factors, household factors, and location-specific factors. This research seeks to provide a thorough examination of the allocation of low-income and non-low-income employees in Central Java, examine the influence of each factor on low-income employees, and calculate the probability of an individual or low-income household attaining economic stability based on these variables.

3. Research Methods

This study adopts a quantitative methodology using secondary data obtained from the March 2023 National Socio-Economic Survey (Susenas), carried out by Statistics Indonesia (Badan Pusat Statistik or BPS). The complete March 2023 Susenas dataset for regencies and cities in Central Java Province consisted of a total of 100,295 respondents. The research sample comprised 51,881 individuals in employment, covering all regencies and cities in Central Java. The variable of interest is working poverty. In this context, poverty is defined in terms of the respondent's household access to food, living conditions, and other types of assets. The independent variables consist of individual factors, employment factors, household factors, and locational factors. The variables and their corresponding operational definitions used in this study are listed below.

Table 1. Variables and Operational Definitions of Research Variables

Variable	Operational Definition of Variable
Dependent Variable (γ)	
WPov	Worker poverty status (1 = non-poor worker; 0 = poor worker)
Poverty is measured through questions on:	
*Access to food (1701–1708)	
*Access to housing criteria (1801–1807)	
*Access to other assets (2001–2002)	

X-Individual Factors	
Age (406)	0 = 15–39 years; 1 = 40–59 years 2 = 60+ years
Gender (405)	0 = female; 1 = male
Marital Status (404)	0 = other; 1 = married
Education (614)	0 = no schooling/primary school; 1 = junior secondary school; 2 = senior secondary school; 3 = higher education
Internet Access (808)	0 = without internet; 1 = with internet
X-Employment Factors	
Working Hours (709-main / 708)	0 = < 35 hours/week; 1 = ≥ 35 hours/week
Employment Status (707)	0 = self-employed; 1 = labourer/employee/staff member; 2 = own business/own business assisted by permanent labour/own business assisted by non-permanent labour
Business Ownership (2210)	0 = no business; 1 = has business
X-Household Factors	
Credit Access (1901)	0 = without access; 1 = with access
Social Security Ownership (2201A2-F2)	0 = without coverage; 1 = with coverage
X-Locational Factors	
Rural/Urban (105)	Classification as rural or urban (0=desa, 1=kota)

Source: Processed data (2024)

This study uses a logistic regression model, as described by the equation (Faharuddin & Endrawati, 2022): $y = \pi(X) + \varepsilon = E\{y|X\} + \varepsilon \dots (1)$, where y denotes the dependent variable $\pi(X) = \frac{\exp(\beta_0 + \beta_1 X_1 + \beta_2 X_2 \dots + \beta_p X_p)}{1 + \exp((\beta_0 + \beta_1 X_1 + \beta_2 X_2 \dots + \beta_p X_p))}$, where x represents the independent variable and ε is the binomially distributed error term. The regression model in equation (1) is transformed using a logit transformation to align with the intended specification of a linear regression model:

$$\text{logit}(\pi(X)) = \ln\left(\frac{\pi(X)}{1 - \pi(X)}\right) = \beta_0 + \beta_1 X_1 + \beta_2 X_2 \dots + \beta_p X_p \dots (2)$$

The logistic regression model was analysed using STATA software, with parameters estimated via Maximum Likelihood Estimation (MLE). One of the key benefits of logistic regression is its ability to produce odds ratios. Odds ratios clarify the relative probability of independent variables in comparison to the dependent variable. They are specifically used to

establish the magnitude of the impact of independent variables on the likelihood of a particular outcome in the dependent variable, by comparison with a reference group.

4. Results

As of 2023, Indonesia's Central Java province has a total population of 37,540,962 people according to the (BPS, 2024b). This population is spread across 35 regencies and cities within the province. In Central Java in 2023, the total impoverished population consisted of approximately 3,791,500 individuals, or roughly 10.77 per cent of the overall population, according to the poverty line (BPS, 2024a). The situation highlights an urgent need to alleviate poverty, especially as Central Java comprises the third-largest population proportion in Indonesia. A major problem in Central Java is the considerable number of working people who still live below the poverty line. According to the results of the 2023 Susenas survey, 51,881 out of 100,293 total respondents were reported to be working. According to data classification and processing, there are 16,983 working poor individuals dispersed across all cities and regencies in Central Java. The working poor are represented by a percentage in Figure 3.

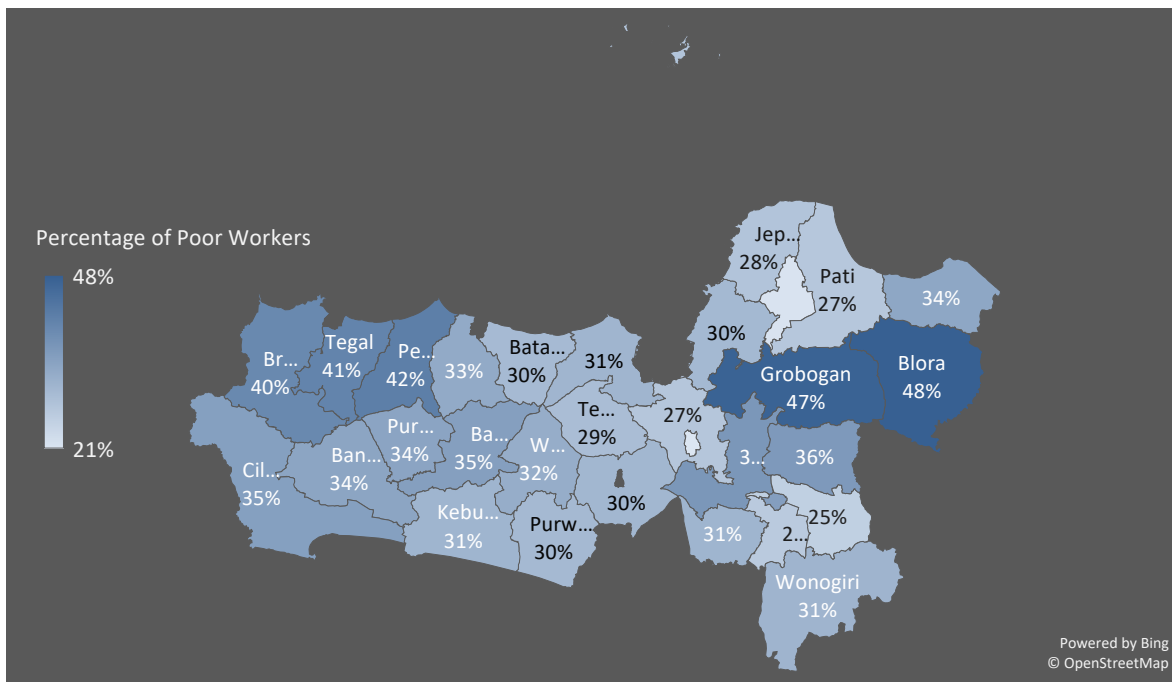


Figure 3. Percentage of Poor Workers in Central Java, 2023
 Source: SUSENAS (2023), processed by the authors

A substantial proportion of the population in Central Java's 35 regencies and municipalities is employed yet impoverished. The majority of working poverty cases are found in Blora Regency at 48 per cent and Grobogan Regency at 47 per cent. In Pemalang Regency,

moderate levels were found at 42 per cent, in Tegal Regency at 41 per cent, and in Brebes Regency at 40 per cent. The remaining regencies and municipalities have levels ranging from 21 to 36 per cent. This situation highlights that the proportion of working poor people is significantly greater in Central Java's regencies and municipalities compared to the province's overall poverty rate of 10.77 per cent in 2023.

Table 2. Logistic Regression Results

	WPov/Not	Odds ratio	St.Err.	t-value	p-value	Sig
Logistic regression						
INDIVIDUAL/DEMOGRAPHIC FACTORS						
Sex						
Male		0.265	0.015	-23.14	0.000	***
Marit						
Married		1.22	0.03	8.02	0.000	***
Age						
40-59 years		1.157	0.052	3.22	0.001	***
>60 years		1.045	0.052	0.89	0.374	
Educ						
Junior Secondary (SMP)		1.73	0.15	6.32	0.000	***
Senior Secondary (SMA)		2.562	0.235	10.24	0.000	***
Tertiary		3.062	0.418	8.20	0.000	***
InternAcc						
With Internet Access		1.69	0.044	20.16	0.000	***
EMPLOYMENT FACTORS						
Hours						
≥35 hours/week		0.892	0.051	-2.01	0.045	**
EmployStat						
Labourer/Employee/Staff berusaha		0.812	0.07	-2.41	0.016	**
Self-employed/Assisted by Permanent Workers/Assisted by Non-permanent Workers		0.811	0.057	-3.00	0.003	***
BussOwn						
Owens a Business		2.179	0.201	8.46	0.000	***
HOUSEHOLD FACTORS						
CreditAcc						
Has Credit Access		1.173	0.078	2.40	0.017	**
SocSecAcc						
Has Social Security		1.501	0.047	12.86	0.000	***
LOCATIONAL FACTORS						
RurUrb						

Urban Area	1.055	0.021	2.64	0.008	***
INTERACTIONS					
Sex#EmployStat					
Male# Labourer/Employee/Staff	2.623	0.176	14.40	0.000	***
Male# Self-employed/Assisted by Workers	2.855	0.185	16.20	0.000	***
Hours#EmployStat					
>35 hours/week# Labourer	1.157	0.093	1.81	0.071	*
>35 hours/week# Self-employed/Assisted by Workers	1.375	0.09	4.87	0.000	***
Age#Educ					
40-59 years#JuniorSec	0.762	0.048	-4.27	0.000	***
40-59 years#SeniorSec	0.718	0.044	-5.42	0.000	***
40-59 years#Tertiary	0.803	0.076	-2.33	0.02	**
>60 years#JuniorSec	0.854	0.079	-1.70	0.089	*
>60 years#SeniorSec	0.74	0.067	-3.34	0.001	***
>60 years#Tertiary	0.382	0.039	-9.46	0.000	***
Educ#EmployStat					
JuniorSec#Labourer/Employee/Staff	0.863	0.074	-1.72	0.085	*
JuniorSec #Self-employed/Assisted by Workers	0.821	0.067	-2.42	0.015	**
SeniorSec#Labourer/Employee/Staff	0.765	0.068	-3.02	0.003	***
SeniorSec#Self-employed/Assisted by Workers	0.682	0.059	-4.45	0.000	***
Tertiary#Labourer/Employee/Staff	1.432	0.182	2.82	0.005	***
Tertiary #Self-employed/Assisted by Workers	0.754	0.089	-2.38	0.017	**
Educ#BussOwn					
JuniorSec#business owner	0.772	0.052	-3.83	0.000	***
SeniorSec#business owner	0.708	0.046	-5.30	0.000	***
Tertiary#business owner	0.456	0.042	-8.59	0.000	***
CreditAcc#EmployStat					
Has Credit Access#Labourer/Employee/Staff	0.883	0.067	-1.65	0.098	*
Has Credit Access#Self-employed/Assisted by Workers	0.99	0.071	-0.14	0.889	
CreditAcc#BussOwn					
Has Credit Access#business owner	0.445	0.031	-11.63	0.000	***
BussOwn#EmployStat					
business owner#Labourer/Employee/Staff	0.712	0.062	-3.92	0.000	***

business owner#Self-employed/Assisted by Workers	0.822	0.068	-2.36	0.018	**
Constant	1.129	.086	1.59	0.111	

*** $p < .01$, ** $p < .05$, * $p < .1$

Source: Processed data (2023)

Subsequent analysis of 51,881 employed respondents was conducted using logistic regression. The analysis results are presented in Table 2. This analysis aims to determine whether four key factors – individual/demographic, employment, household, and locational factors – impact a worker's likelihood of becoming impoverished. The regression model presented takes into account variable interactions to account for potential interdependencies. The majority of the variables examined showed high statistical significance, suggesting that most variables within the studied factors are involved in working poverty. One non-significant variable was identified within the individual/demographic factors, which pertained to age groups 60 years and above. Table 2's odds ratio data indicate the probability or likelihood that a worker is categorised as poor or non-poor. Specifically, the male gender factor, which has an odds ratio of 0.265, shows a 26.5 per cent relative likelihood compared to females. It appears that male workers are at a greater risk of experiencing poverty than their female counterparts. Having a marital status, with an odds ratio of 1.22 (>1), suggests that married workers have a 22 per cent greater likelihood of not being non-poor compared to workers who are not married.

The age group of 40–59 years, with an odds ratio of 1.157, has a statistically significant 15.7% higher likelihood of being non-poor compared to the 15–39 age group, whereas no such correlation was found for the age group of >60 years. Education levels, including Junior High School (SMP) with an odds ratio of 1.73, Senior High School (SMA) with an odds ratio of 2.562, and Higher Education (PT) with an odds ratio of 3.062, display odds ratios greater than 1. Studies suggest that educated workers have a significantly higher likelihood of not being classified as poverty-stricken compared to those with no formal education. As educational attainment increases, individuals are 2.5 to 3 times more likely to avoid poverty. Internet access, with an odds ratio of 1.69 (>1), implies that workers with internet access have a 69 per cent increased likelihood of not being poor compared to those without.

Regarding employment factors, working hours of 35 or more hours per week, with an odds ratio of 0.892 (<1), indicate that longer working hours do not necessarily ensure immunity from poverty. The odds ratios of 0.812 (<1) for labourers/employees/civil servants and 0.811 (<1) for self-employed individuals with permanent or temporary workers indicate that these groups are more likely to be poor than casual workers or those in other employment sectors. Business ownership, with an odds ratio of 2.179 (>1), suggests that workers who own a business are twice as likely to be non-poor as those who do not own a business.

Credit access in households has an odds ratio of 1.173, which is greater than 1, suggesting a 17.3 per cent higher likelihood of not being poor for workers with such access compared to those without it. Workers with social security coverage have a 50.1 per cent higher chance of not being poor, as indicated by an odds ratio of 1.501, compared to those without it. Workers living in cities have a 5.5 percent greater chance of not being poor than those living in rural areas, with an odds ratio of 1.055, indicating a higher probability.

The analysis results also show that factors like education at all levels, business ownership, access to the internet, possession of social security, and being married have the greatest impact on increasing workers' chances of not being poor. Variables such as male gender, longer working hours, and employment as a labourer/employee/staff member also contribute to an increased chance of workers becoming poor.

Logistic regression models the interplay between individual characteristics and poverty risk by examining how various factors interact with one another. Specifically, it reveals that males in certain categories have higher odds of not being poor compared to females. Males within the labourer/employee/staff member category are 2.62 times more likely to not be poor compared to their female counterparts, given an odds ratio of 2.623. Similarly, self-employed males, with an odds ratio of 2.855, are 2.85 times more likely to not be poor compared to their female counterparts. Furthermore, working at least 35 hours per week in a labourer, employee, or staff member category, with an associated odds ratio of 1.157, results in a 15.7 percent greater likelihood of not being poor compared to working less than 35 hours per week. Working at least 35 hours per week in a self-employment or business capacity, with permanent or non-permanent staff, and having an odds ratio of 1.375, is linked to a 37.5 per cent greater chance of not being in poverty compared to those working fewer than 35 hours per week in similar circumstances. The interaction between age and education reveals that for workers aged 40–59 years and those over 60 years across all levels of education - junior secondary, senior secondary, and higher education - the odds ratios are less than one, suggesting that the likelihood of a worker not being poor actually decreases across these age groups compared to workers aged 15–39 years.

The interaction between education and employment status, across various education levels (junior secondary, senior secondary, and higher education) and employment types (labourer/employee/staff member or self-employed/operating a business with permanent labour/operating a business with non-permanent labour), results in odds ratios less than 1, indicating a decrease in the probability of a worker being poor across nearly all variable combinations. The likelihood of a worker not being poor rises by 43.2 per cent only when someone with higher education at the tertiary level is employed as a labourer, employee, or staff member. The relationship between education and business ownership reveals that individuals with some level of education (junior secondary, senior secondary, or higher education) who own a business, with odds ratios less than 1, experience a lower likelihood of being poor, with this decline becoming more significant for those with higher education



who own a business. An interaction between access to credit and business ownership, when considering employees, results in an odds ratio of less than 1, showing a decrease in the likelihood of not being poor, with a p-value of 0.098. The availability of credit for self-employed individuals operating with permanent labour or non-permanent labour, with an odds ratio of 0.99 and a p-value of 0.899, does not have a significant impact.

The interaction between credit access and business ownership, with an odds ratio of 0.445, shows that individuals with credit access who own a business are less likely to be non-poor in comparison to those without credit access who own a business. The interaction between business ownership and employment status, with odds ratios less than 1, suggests that the likelihood of not being poor is higher when an individual owns a business, regardless of whether they are a labourer/employee, staff member, self-employed, or operating a business with permanent or non-permanent labour, compared to someone without business ownership.

Discussion

This study focuses on four distinct factors: individual and demographic characteristics, employment circumstances, household conditions, and geographical locations. Factors like gender, marital status, age, education level, and access to the internet are included in individual/demographic variables. Variables within individual or demographic factors show a significant effect on an individual's ability to escape poverty, with the notable exception of age above 60 years. Despite greater experience, this condition arises from reduced productivity and work capacity in advanced age (Gruss et al., 2025). Therefore, it does not automatically affect whether a person is in a state of poverty or not. Men are more likely to be impoverished compared to women. In many households, it is the male workers who take on the primary responsibility of providing for the family, placing them under a significant amount of financial pressure. Female workers are less likely to be burdened by poverty, as they typically work for personal gain rather than to support their households (Ekaputri et al., 2025; Soseco et al., 2022). Being married is associated with a significantly reduced risk of being economically disadvantaged. The relationship may be linked to combined household income if the spouse is also working (Ekaputri et al., 2025). Dual income sources, increased work productivity through mutual support in employment, and household economic stability can also help manage poverty risk, according to Agusta & Ghuzini (2020), Dunga (2025), Lewin & Stier (2023), and Purwanto (2021). Those aged 40-59 years have a greater likelihood of not falling into working poverty than those aged 15-39 years. The underlying factors include extensive work experience, high levels of competence, adequate human capital, provisions for training and development in employment, stable job positions, strong and extensive professional networks, the ability to adapt quickly in the workplace due to high levels of experience, effective negotiation skills, and possession of additional assets (Alcover et al., 2021; Chow & Peng, 2025; OECD, 2025; Takao & Ishiyama, 2021). Education provides considerable opportunities for a worker to break free from poverty (Arsani et al., 2020). The higher the level of education attained, the higher the likelihood of escaping the poverty trap is (Pohan & Vitale, 2016). Higher education is associated with a threefold

increase in the likelihood of a worker escaping poverty. Having internet access gives a 69 per cent chance of avoiding poverty compared to individuals without access. Access to the internet can boost human capital, offer wider professional networks for employees, increase productivity, create new opportunities, and potentially lead to greater earning possibilities (Kharisma, 2022; Rini & Rahadiantino, 2020). Factors such as age, education, marital status, and internet access, which are aligned with Amartya Sen's multidimensional poverty theory (1999), (Alkire et al., 2015; Alkire & Foster, 2011; Mackie, 2012; Sen, 1999), impact workers' poverty levels, with variables like gender, age, and education playing significant roles, affecting productivity, work capacity, health, and ultimately, welfare and income, while education level serves as a capability indicator and economic participation determinant.

Employment factors include working hours, employment status, and business ownership. Working hours of ≥ 35 hours per week do not necessarily increase a worker's chances of escaping poverty, despite numerous studies asserting that longer hours correlate with higher income. In this analysis, long working hours yield an odds ratio < 1 , indicating that extended hours may coexist with low job quality, such as low hourly wages, demanding or high-pressure work, informal-sector employment without social security or worker protections, and low remuneration (Gautié & Ponthieux, 2017; Sharif, 2018). Evidence from Central Java reveals that most workers are engaged in agriculture, the informal sector, or small-scale enterprises, where long hours are coupled with minimal wages and limited social security (Riyono, 2025). When linking these findings to multidimensional poverty theory, prolonged work hours with low job quality imply deprivation in the employment dimension and capability to generate income (Alkire et al., 2015; Sen, 1999). Therefore, long working hours alone are insufficient to extricate a worker from poverty. Employment statuses as labourer/employee/staff member and self-employed/operating a business assisted by permanent labour/operating a business assisted by non-permanent labour yield odds ratios < 1 . Working in the labourer/employee/staff member status does not guarantee escape from working poverty. This is associated with limited formal-sector opportunities, with most formal workers still constrained by contract work, outsourcing, or non-full-time status, rendering them vulnerable to layoffs (Mediana, 2025). In the self-employed/operating a business assisted by permanent labour/operating a business assisted by non-permanent labour status, numerous labour-market challenges exist, such as access to capital, business networks, and markets, which cannot be reached, thereby leaving workers in this status susceptible to poverty vulnerability (Tambunan, 2023). When linked to poverty theory, this aligns with aspects of job security, wages, worker rights, access to business capital, and market access, which are crucial. This indicates that even as an entrepreneur, deprivation in employment persists and may trigger poverty (Alkire et al., 2015; Sen, 1999). Business ownership yields an odds ratio of $2.179 > 1$, indicating twofold higher odds for a worker to escape poverty compared to those without business ownership. This may occur due to potential for greater income and diversified revenue sources. Studies demonstrate that entrepreneurship has a positive effect in reducing poverty. Consistent with Amartya Sen and Alkire's multidimensional poverty theory, business ownership serves as an indicator of access to

economic assets, entrepreneurial capability, and economic participation, which remain important dimensions (Alkire et al., 2015; Sen, 1999).

Household factors include access to credit and social security benefits. Having access to credit results in an odds ratio greater than 1, signifying a higher likelihood of not being impoverished than among workers without such access. Poverty theory, as described by multidimensional poverty theory (Alkire et al., 2015), suggests that capital and assets are key dimensions of deprivation; lacking these, it becomes difficult to overcome poverty (Anindynta et al., 2021). Productive enterprises or investments should be prioritized for credit access to improve capacity, and financial inclusion initiatives could assist workers in leaving poverty. Providing social security to workers results in an odds ratio greater than 1, thereby increasing the likelihood of not being poor by 50.1 per cent in comparison to workers without social security. According to the multidimensional poverty theory, this dimension is associated with capability and social security. The likelihood of becoming working poor is undoubtedly increased for informal workers in Central Java who lack social security coverage, as noted by Alkire et al. (2015), ILO (202), OECD (2019), and Sen (1999).

Factors such as workers' residential location, whether in a rural or urban area, are considered locational factors. Individuals living in urban settings have a 5.5 per cent greater likelihood of not being impoverished compared to those residing in rural areas. Urban areas have a higher likelihood of non-poverty due to factors such as increased employment opportunities, suitable infrastructure, comprehensive labour-market connections, and access to education and healthcare (World Bank, 2021). Rural poverty in Central Java far surpasses urban poverty, with 11.82% of rural workers struggling in poverty compared to 7.29% in urban areas, largely due to limited market access in sectors like agriculture and informal employment, whereas urban regions provide significantly more opportunities, according to (BPS, 2023b). Rural and urban areas are associated with different aspects of non-monetary poverty, with rural workers facing spatial disadvantage that increases their risk of poverty, whereas urban workers benefit from the benefits of being in close proximity and having widespread access to formal job markets (Alkire & Foster, 2011).

5. Conclusion and Suggestion

Individuals who are employed but still living in poverty have a strong link to poverty. Statistics from Central Java indicate that numerous residents remain impoverished despite being employed. This study investigates the incidence of working poor in Central Java's regencies and municipalities. Blora Regency has the highest concentration of working poor at 48 percent, followed closely by Grobogan Regency at 47 percent. A logistic regression analysis of household data in Central Java found that individual and demographic characteristics, such as female gender, marital status, and age between 40 and 59 years, significantly affect working poor individuals, and access to junior and senior secondary education, higher education, and the internet can provide opportunities for them to escape

poverty. Factors related to employment, like owning a business, have a substantial impact, resulting in a nearly two-fold rise in the likelihood of workers overcoming poverty. Household circumstances, such as access to credit and social security benefits, also significantly affect the working poor and offer them opportunities to escape poverty. Living in an urban area also significantly impacts the working poor, offering them opportunities to escape poverty.

It is essential to take into account gender factors in order to avoid poverty, considering not just job opportunities for men and women but also the quality of employment and access to high-productivity assets. Worker welfare programmes, such as leave provisions for employees or their spouses, along with measures to achieve work-life balance, should complement support for married workers. Programs are needed to improve the experience and offer competency training for workers between the ages of 15 and 39, whereas for those over 60, additional training, more flexible employment options, and government-backed social security benefits should be provided to help combat poverty in this age demographic. The government must enhance access to quality education and training nationwide, align education with labour market demands, and offer adult workers scholarships for higher education. This is an attempt to escape from poverty. Promoting digital infrastructure, literacy for low-income workers, and free internet access should also be prioritized to boost digital inclusion and help alleviate worker poverty. The government should also offer quality employment opportunities, support entrepreneurs, provide micro-enterprise incubation, formalize jobs for formal workers, and ensure that working hours align with workers' rights. The government must establish inclusive financial access and broaden social security coverage to include workers in the informal sector. The government must improve rural areas, promote economic diversification in rural, and enhance connectivity between rural and urban regions, as well as within rural communities.

This study gives an overview of how the working-poor phenomenon remains closely linked to poverty in Central Java. The study further supports the fact that the working poor remain closely associated with multidimensional poverty theory, with a significant proportion of workers in Central Java facing deprivation across multiple dimensions and indicators within this framework. This study's findings and recommendations could potentially help decrease the working poor in Central Java, assuming the government and local stakeholders establish various regulations and policies that promote Central Java's advancement in these multiple areas.

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