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The Effect of Poverty Levels, Open Unemployment Rates on Crime Rates in Indonesia 2014-2024: a VECM Approach

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Abstract–The economy is one of the main triggers of high crime rates in Indonesia. This study aims to explore the extent of the relationship between poverty and open unemployment rates and crime rates in this country. This study was conducted using a quantitative approach, utilizing panel data and a VECM model to analyze long-term impacts. The data sources used were secondary data from reports by the Central Statistics Agency (BPS) and the Indonesian National Police (Polri). The results show that poverty has a significant positive impact on crime rates in Indonesia, as seen from the t-statistic being greater than the t-table, namely 13.9926 > 1.966378803 with a coefficient value of 34300.84. Similarly, open unemployment also has a significant positive impact as seen from the t-statistic which is greater than the t-table, namely 4.73350 > 1.966378803 with a coefficient value of 34616.26. Overall, these two factors, poverty and open unemployment, have a significant positive impact on crime rates in Indonesia, as indicated by an F-statistic greater than the t-table, namely 24.36384 > 1.96637883. These long-term findings indicate that high poverty rates and open unemployment rates can affect crime rates in Indonesia, while in the short term the opposite is true. This occurs because of survival mechanisms that utilize savings or government assistance. This study provides empirical evidence on the influence of poverty rates and open unemployment rates on high crime rates in Indonesia.

Keywords: Crime, Unemployment Rate, Poverty

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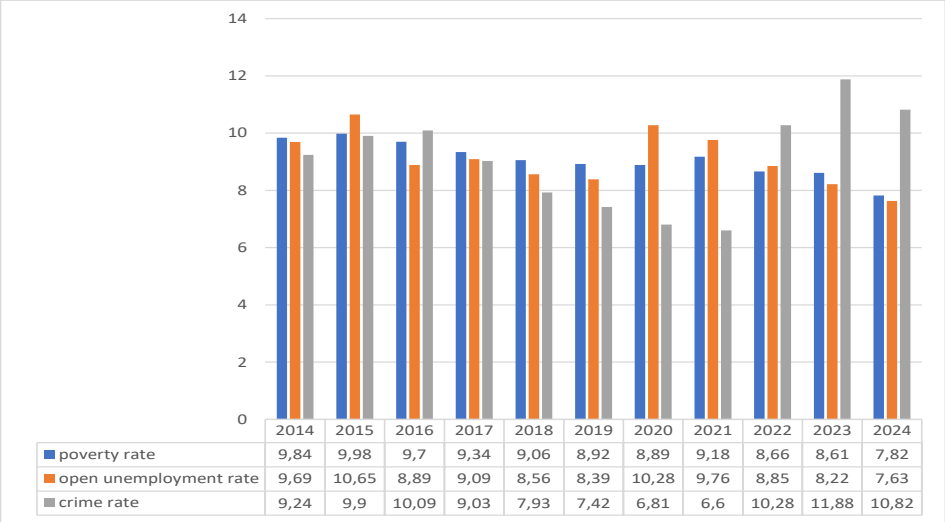
1. INTRODUCTION

In Indonesia, criminal cases are becoming more frequent, and information about crime can be easily found in various news sources. Currently, the number of crimes occurring in the country is so high that it is difficult to count. With the advancement of time, many people are trying to adapt to various ways of life, often taking shortcuts to achieve their goals even if it means doing so in an improper manner. These actions are often influenced by personal circumstances and pressure from the surrounding environment. Not infrequently, crimes are largely triggered by economic situations and the nature of society itself (Rahmi & Roza Adry, 2018). Crime remains a major problem that threatens individuals' sense of security in the face of changing social values. This sense of security is also included in human rights, so it is important for the government and society to work together to reduce crime rates in Indonesia.



	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024
poverty rate	9,84	9,98	9,7	9,34	9,06	8,92	8,89	9,18	8,66	8,61	7,82
open unemployment rate	9,69	10,65	8,89	9,09	8,56	8,39	10,28	9,76	8,85	8,22	7,63
crime rate	9,24	9,9	10,09	9,03	7,93	7,42	6,81	6,6	10,28	11,88	10,82

Figure 1. Graphs of poverty rates, open unemployment rates, and crime rates

Crime is an act that violates legal norms, involving the seizure of another person's property, disruption of public order, and the murder of an individual or group of people. Criminal incidents are often caused by social inequality, hatred, psychological pressure, or environmental changes within society. Crime has a broad impact on all levels of society; this complex problem can arise in various places and times, with criminal acts often occurring in different

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locations and at different times (Hilman et al., 2015). Therefore, the emergence of various forms of crime in new dimensions recently shows that criminality is always evolving.

Based on the data in Figure 1, it can be seen that crime rates in Indonesia's 34 provinces tended to fluctuate from 2014 to 2024. Crime rates rose from 2014 to 2016. This initial increase was caused by economic pressures following the global crisis, where poverty and income inequality drove individuals to commit crimes as a means of survival. In addition, rapid urbanization and open expansion contributed to an increase in conventional crimes such as theft (Susanti et al., 2025). From 2017 to 2021, crime rates gradually declined. This decline was related to government poverty alleviation programs, increases in minimum wages, and a decrease in the percentage of crime victims due to mobility restrictions during the COVID-19 pandemic. These factors were supported by increases in per capita income and reductions in poverty in several provinces, which reduced the economic incentives for crime (Karyoko, 2024). Crime rates then rose again in 2022-2024, triggered by post-pandemic economic instability, poverty, and the influence of social media, which facilitated cybercrime and fraud (Yonatan, 2025).

Poverty is one of the factors that influence crime rates. Individuals living in poverty tend to be more at risk of committing crimes. Poor communities tend to live in neighborhoods that experience social disorganization. The influence of such environments causes communities to behave more aggressively and tend to arm themselves, putting them at risk of committing crimes. Therefore, poverty is one of the causes of crime in a region (Rusnani, 2015). Poverty is closely related to the minimum standard of living for certain groups. Many factors influence and are interrelated with the issue of poverty, such as a lack of available jobs leading to unemployment, and poor quality education and healthcare (Kristinawati et al., 2020).

According to the Central Statistics Agency (BPS), poverty is a condition in which a person is unable to meet the minimum basic needs to make life decent and secure. This problem of poverty is experienced by almost all countries in the world, especially developing countries. Poverty is complex, influenced by many interrelated factors, such as community income, poverty, health, education, access to goods and services, geographical location, gender, and the environment (Mayaquez et al., 2024).

The data above shows that the percentage of poor people in Indonesia's 34 provinces tended to fluctuate between 2014 and 2024. Poverty is strongly linked to unemployment, where high unemployment rates will affect poverty rates in a region. This is because many people do not have jobs, making it difficult for them to meet their daily needs (Alvianto Putra Arizandi et al., 2021). The conclusion from the lack of employment opportunities is that many people face challenges in finding work, so informal employment becomes an option to meet their needs.

High unemployment is considered both an economic and social problem (Diana et al., 2024). This phenomenon is an economic issue because when the number of unemployed people increases, the country loses the potential for production of goods and services that could have been produced by those unemployed people. On the other hand, unemployment is also a serious social problem because it causes deep suffering for individuals who have lost their jobs and must face a decline in income. Unemployment arises due to various factors, such as the number of available job opportunities generally not being proportional to the total labor force, where the number of unemployed has been quite large for a long period of time.

This condition has persisted for years, caused by rapid population growth and a lack of capital for investment, resulting in an inability to absorb the increase in the workforce (Hendri Doni et al., 2023). In Indonesia, unemployment rates often fluctuate, especially amid global economic instability and technological change. Uncertainty in the labor market worsens the economic conditions of the community, as individuals who lose their jobs become more vulnerable to poverty (Aliyah et al., 2025). From the available data, it can be seen that the open unemployment rate in 34 provinces in Indonesia remained stable at 5% from 2014 to 2024, surged in 2020-2021, and then gradually stabilized in 2022-2024.

Gary S. Becker's Economic Theory of Crime explains that individuals will commit crimes if the expected benefits of crime are greater than the expected costs or risks, such as the possibility of being caught, the severity of punishment, or the loss of legal employment opportunities. Thus, crime is viewed as the result of rational decisions made under conditions of limited information and risk. Humans behave rationally in making decisions, including when deciding to commit a crime. These decisions are weighed between benefits and costs, such as the potential income from legal activities versus illegal activities, the probability of being caught and the level of punishment, and the level of unemployment or low legal employment opportunities. In other words, poverty and unemployment increase the economic appeal of criminal activity (Rottenberg, 1976).

In addition, crime rates are also discussed in Strain Theory, developed by Robert K. Merton in his book Social Structure and Anomie (Merton, 2017) and later expanded upon by Robert Agnew in Foundation for a General Strain Theory of Crime and Delinquency (1992). This theory highlights that criminal behavior arises from strain between cultural ideals, such as achieving economic success, and the limited means of achieving them. Individuals facing poverty and high unemployment often experience frustration, which encourages deviant adaptations such as criminal innovation to meet basic needs(Agnew, 1992).

The vicious circle of poverty theory proposed by Ragnar Nurkse in Problems of Capital Formation in Underdeveloped Countries explains that poverty in developing countries is a cumulative cycle that is difficult to break, where low poverty levels create conditions that exacerbate poverty itself. Nurkse divides this mechanism into two sides: the supply side, where low income hinders savings and investment, keeping productivity low; and the demand

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side, where low purchasing power leads to a small domestic market, which in turn discourages new investment and maintains high unemployment(Smith et al., 1987).

Economists such as Arthur Pigou, in the neoclassical theory they developed in their book The Theory of Unemployment, argue that unemployment arises when there is a mismatch between labor supply and demand. This means that if there are more people who want to work (supply) than there are jobs available (demand), unemployment will occur. In the neoclassical model, unemployment is not a permanent structural phenomenon, but rather the result of frictions such as imperfect information, job search costs, or government intervention policies (minimum wages) that disrupt market adjustments. The open unemployment rate is calculated as the percentage of the labor force that is actively seeking work but has not yet been able to find it, and this theory emphasizes that the labor market tends toward full employment. In the context of this study, neoclassical theory explains fluctuations in Indonesia's TPT as a response to the economic cycle, in which low labor demand due to slow growth in the primary sector maintains open unemployment (Schwarzer, 2024).

Research conducted by Fithriati Armin, Idris (2020) "Analysis of the Effects of Education, Unemployment, Poverty, and Income Inequality on Crime in Indonesia" The findings of this study indicate a positive and significant relationship between poverty and crime (Armin & Idris, 2020). As well as research conducted by Raihan Saputra (2023) "Analysis of Education Level, Poverty and Unemployment on Crime in Bekasi" with research results stating that education level has a significant correlation with crime, poverty has a negative effect on crime, and unemployment has a positive effect on crime (R. Saputra, 2023). In the results of research conducted by Saiful Adhi Saputra and Wahyu Widodo (2023) "The Impact of Poverty, Economic Inequality, and Unemployment on Crime Rates in Central Java Province from 2000 to 2021," the unemployment rate in Central Java Province did not have a significant impact on crime rates (S. A. Saputra & Widodo, 2023).

Then, in the results of research conducted by Boge Triatmanto, Suryaning Bawono (2023) "The interplay of corruption, human capital, and unemployment in Indonesia: Implications for economic development," The results of the study show that poverty has a significant positive effect on corruption in the long term. Meanwhile, in the short term, poverty actually has a significant negative impact on corruption and human capital (Triatmanto & Bawono, 2023). Furthermore, research by Dr. John Motsamai Modise (2025), "Social And Economic Drivers Of Violent Crime In South Africa: The Impact Of Property And Unemployment". concludes that depth and tendency have a significant effect on violent crimes, such as gun possession, theft, and carjacking (Modise, 2025).

Based on the above previous studies, there are differences between them and the study to be conducted by the researcher, namely in terms of variable X, research methods, theories used, and research locations. In previous studies, variable X was used in the form of economic inequality, dropout rates, and education levels. Meanwhile, in this study, variable X used is poverty levels and open unemployment rates. The locations of previous studies varied, namely Central Java and Bekasi. The difference between this study and previous studies lies in the research object, where this study was conducted in Indonesia. Another difference lies in the year of the study, where this study was conducted over 11 years from 2014 to 2024. Another difference lies in the research method, where this study uses a quantitative approach with a VECM approach to see the long-term effects.

Based on the phenomenon occurring in Indonesia regarding crime rates, which tend to increase every year, this shows that crimes occur frequently, with an average of 500-1,500 crimes occurring every day (Naurah 2024). Crime occurs as a result of economic pressure, necessity, or inequality, but economic factors are the main motive for crime, where urgent needs arising from poverty and unemployment drive people to commit crimes (Polri, n.d.).

Data on poverty and unemployment rates reinforce this point, showing that increases in poverty and unemployment are accompanied by high rates of crime. Generally, perpetrators commit crimes because they believe they will gain more satisfaction from doing so than from following the law or engaging in legal activities (Purwanti & Widyaningsih, 2019). The main contribution of this study is to empirically demonstrate that poverty and open unemployment remain the main drivers of crime in Indonesia. Ultimately, these findings provide a strong basis for policymakers to recognize that national security stability is highly dependent on the effectiveness of poverty alleviation and job creation programs.

2. RESEARCH METHODS

The method used in this study employs a quantitative approach using panel data. The model used in this study is VECM (Vector Error Correction Model) and in processing the data for this study, E-views 13 software was used as the main instrument. This tool was chosen to analyze and map the long-term interaction patterns between poverty levels, open unemployment rates (TPT), and crime rates in Indonesia from 2014 to 2024 (Ersten Hermawan et al., 2024). This study relies on secondary data sourced (Muhamad, 2022), from official reports by the Central Statistics Agency (BPS) and the Indonesian National Police (Polri). The population analyzed includes poverty rates, open unemployment rates, and crime indices in Indonesia, with observations covering an 11-year period from 2014 to 2024. This study applied documentation techniques in data collection, given that the database used was entirely secondary. The data consisted of information from original sources that had been further processed and presented systematically in both table and diagram formats by official data collection instruments or relevant third parties. The method used in data collection for this research was a literature study, which involved searching for and reading literature, such as

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books, official publications, articles, and previous journals related to the research discussion (Muhamad, 2022). The operational definition of the variable, crime rate, is an activity that is not in accordance with the law, social norms that harm others, and disrupts the order and comfort of others. Poverty is the inability of a person to meet their basic needs, such as food, clothing, shelter, education, and healthcare.

Unemployment includes people who are not working or are looking for work, or are preparing to start a business, feel discouraged, or have been accepted for a job but have not yet started working. The model used in this study is VECM (Vector Error Correction Model). This is to determine or obtain an overview of the interaction between the Poverty Rate and the Open Unemployment Rate (TPT) on the Crime Rate in Indonesia from 2014 to 2024 in the long term. When performing data regression, it is necessary to test the model specifications used to determine the most appropriate model estimates in this study, namely data stationarity tests, optimal lag length tests, VAR stability tests, cointegration tests, Granger causality analysis, and VECM estimation analysis (Juhro, 2020).

2.1 Research Hypotheses

2.1.1 Poverty levels have a positive and significant effect on crime rates in Indonesia.
Ragnar Nurkse's vicious circle of poverty theory explains that poverty in developing countries is a cumulative cycle that is difficult to break, where low levels of poverty create conditions that exacerbate poverty itself. Research conducted by Fithriati Armin, Idris (2020) "Analysis of the Effects of Education, Unemployment, Poverty, and Income Inequality on Crime in Indonesia" The findings of this study show a positive and significant relationship between poverty and crime. As well as research conducted by Raihan Saputra (2023) "Analysis of Education Levels, Poverty and Unemployment on Crime in Bekasi" with the results of the study stating that there is a significant correlation between crime and education levels, poverty has a negative effect on crime, and unemployment has a positive effect on crime.

2.1.2 Open Unemployment rates have a positive and significant effect on national crime rates.
In addition, this study also tests a third hypothesis. The neoclassical theory developed by Arthur Pigou in The Theory of Unemployment argues that unemployment occurs when there is an imbalance between labor supply and demand. In a study conducted by Saiful Adhi Saputra and Wahyu Widodo (2023) entitled "The Impact of Poverty, Economic Inequality, and Unemployment on Crime Rates in Central Java Province from 2000 to 2021," the unemployment rate in Central Java Province was found to have no significant impact on crime rates. And research conducted by Boge Triatmanto and Suryaning Bawono (2023). The results of this study explain that the unemployment rate has a positive and significant effect on corruption in the long term and that unemployment has a significant negative effect on corruption and human capital in the short term.

2.1.3 which states that there is a significant combined effect of these two independent variables on crime trends in Indonesia.
The Strain Theory formulated by Robert K. Merton in Social Structure and Anomie emphasizes that crime arises from tension (strain) between the cultural goals of society (such as economic success) and the limited means to achieve them. In a study conducted by John Motsamai Modise (2025), "Social And Economic Drivers Of Violent Crime In South Africa: The Impact Of Property And Unemployment," the results show that poverty and unemployment have a significant influence on the dependent variables of violent crime, such as armed robbery, theft, and carjacking.

2.2 Conceptual Framework

The research framework shows the relationship between the independent variables of poverty and open unemployment rates and the dependent variable of crime rates in Indonesia.

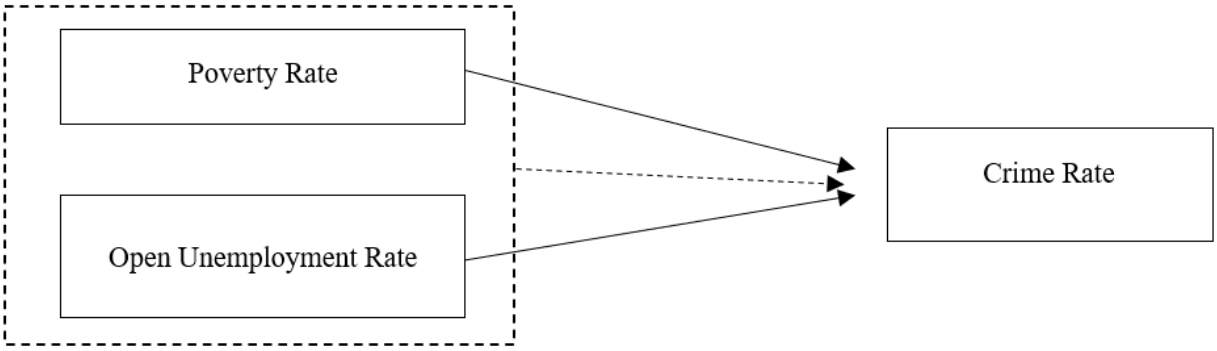

Figure 2. Research Conceptual Framework

Figure 2 shows the interaction between independent variables, which include: poverty rate (X1) and open unemployment rate (X2), with the dependent variable, namely crime rate (Y).

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3. RESULTS AND DISCUSSION

3.1 Research Results

3.1.1 Data Stationarity Test Results

Table 1. Stationarity Test

Variable	t-Statistic	Prob
Crime Rate	-3.36683	0.0004
Poverty Rate	-5.78956	0.0000
Open Unemployment Rate	-7.80419	0.0000

The data presented in Table 1 are the results of the Augmented Dickey-Fuller (ADF) stationarity test at the 1 level of difference, and all variables are declared stationary. This conclusion is drawn because the t-statistic values generated exceed the critical values at a 5% significance level. In addition, the probability values below the 0.05 threshold reinforce the evidence that the data no longer contain unit roots at the first difference level.

3.1.2 Optimum Lag Test Results

Table 2. Optimum Lag Test

Lag	LogL	LR	FPE	AIC	SC	HQ
0	-3.944.618	NA	8.10e+08	2.902.660	29.06637	2.904.257
1	-3.876.0047	1.351.242	5.23e+08	28.58858	2.874.766	2.865.245
2	-3.833.389	83.12048*	4.08e+08*	28.34110*	28.61949	28.45286*

The data presented in Table 2 the optimum lag test indicates that lag order 2 is the most superior model selection according to the majority of the main statistical criteria. At lag 0, the log-likelihood (LogL) value is low at -3,944,618, accompanied by a large FPE (8.10e+08), AIC (2,902,660), and SC (29.06637), illustrating the model's inability to represent the dynamics of the Head Office time series data. The transition to lag 1 increases the LogL to -3.876.0047 with LR 1.351.242, and reduces the FPE (5.23e+08), AIC (28.58858), and SC (2.874.766), indicating substantial model improvement. The optimization peak was reached at lag 2, with LogL -3.833.389, significant LR 83.12048, minimum FPE (4.08e+08*), smallest AIC (28.34110*), and optimal SC (28.45286*), thus convincingly establishing lag 2 as the ideal order for revealing the autoregressive pattern of the data, in line with the Akaike Information Criterion (AIC) and Schwarz Criterion (SC) minimization approaches.

3.1.3 VAR Stability Test Results

Table 3. VAR Stability Test

Root	Modulus
-0.176101 – 0.519475i	0.548512
-0.716101 + 0.519475i	0.548512
-0.374708 – 0.362369i	0.521266
-0.374708 + 0.362369i	0.521266
-0.075656 – 0.440645i	0.447093
-0.075656 + 0.447093	0.447093
No root lies outside the unit circle	
VAR satisfies the stability condition	

The data presented in Table 3 the stability of the VAR model is tested by calculating the roots of the polynomial function. If all roots are within the unit circle or if the roots have a modulus value <1, then the VAR model is considered stable. It is known that all moduli have a value <1, which means that the model is stable. If the VAR model is stable, then it can proceed to perform Impulse Response Function (IRF) Analysis and Forecast Error Variance Decomposition (FEVD). The results of the VAR stability test data table, reaches its value all moduli <1, which means that the model is stable.

3.1.4 Cointegration Test Results

Table 4. Cointegration Test

Hyphothesized No.. Of CE(s)	Eligenvalue	Trace Statistic	0.05 Critical Value	Prob**
None*	0.492782	376.2645	29.79707	0.0000
At most 1*	0.429223	214.7068	15.49471	0.0000
At most 2*	0.289207	81.24690	3.841465	0.0000

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Based on the results of the Johansen cointegration test in Table 4, this study looked at the critical value at a 5% confidence level and compared it with the Trace Statistic. If the trace statistic value > critical value, then Ho is accepted, the model is cointegrated, and if the trace statistic value < critical value, then Ha is accepted, the model is not cointegrated. It is known that the trace statistic value is greater than the critical value of 5%, namely 376.2645 > 29.79707, so Ho is accepted and there is cointegration. There are two cointegrated equations in Table 5. From the results of the Johansen cointegration test, it can be seen that there is a long-term relationship between the variables. Furthermore, because there is cointegration between the variables, the estimation model used is the Vector Error Correction Model (VECM).

3.1.5 VECM Estimation Results

The Vector Error Correction Model (VECM) approach is applied as an econometric framework to trace the behavioral trends of variables in the long term. In the validation process, the significance of the influence between variables is determined by comparing the t-statistic and the t-table; if the t-statistic value exceeds the t-table threshold, it can be concluded that the variable has a significant contribution to the model.

Table 5. Long-Term VECM Estimation Test

Variable	Coefficient	t-Statistic	t-Table	Description
Poverty Rate	34300.84	13.9926	1.966378803	Significant
Open Unemployment Rate	34.616.26	4.73350	1.966378803	Significant

The data presented in Table 5 confirms that in the long term, poverty variables contribute positively and significantly to the escalation of crime rates. This is evidenced by a t-statistic value of 13.9926 from a critical t-table value of 1.9663. The open unemployment rate (OUR) also shows a significant unidirectional effect on crime, where the strength of the effect is reflected in a calculated t-value greater than the t-table value (4.7335 > 1.9663). In line with these findings, Boge and Suryaning state that unemployment has a significant positive effect on corruption in the long term (Triatmanto & Bawono, 2023).

Table 6. Short-Term VECM Estimation Test

Variable	Coefficient	t-Statistic	t-Table	Description
Poverty Rate	-192.7800	1.11266	1.966378803	Insignificant
Open Unemployment Rate	-107.4064	-0.45386	1.966378803	Insignificant

The data presented in Table 6 indicate a positive trend; the t-statistic value of 1.11266 is smaller than the critical t-value of 1.9663, which is well below the critical threshold. A similar condition is found in the open unemployment rate, which actually shows a negative and insignificant direction, with a t-value (-0.45386) that is far below the critical value. In contrast, the long-term results show that the poverty variable does not have a significant impact on the crime rate.

Table 7. Simultaneous Test Results

Coefficient	t-Statistic	t-Table	Description
0	24.36384	1.966378803	Significant

The data presented in Table 7 show that simultaneous testing results confirm that poverty variables and open unemployment rates make a positive and significant contribution. This is indicated by an F-statistic value greater than the t-table, namely 24.36384 > 1.96637883. These findings support the simultaneous hypothesis proposed, whereby the combination of poverty and open unemployment has been shown to have a significant positive impact on the escalation of crime rates in Indonesia.

3.2 Discussion

The results of interpretation using the VECM (Vector Error Correction Model) method, the proof of significant variables in the research model was carried out by comparing the t-statistic value with the t-table value. The results of the analysis prove that the independent and dependent variables are significantly correlated in both the short term and long term.

3.2.1 The Effect of Poverty Levels on Crime Rates in Indonesia

Based on the VECM estimation results, it is known that the poverty rate variable has a significant positive effect on the crime rate in the long term. Theoretically, Ragnar Nurkse's Vicious Circle of Poverty theory explains that poverty in developing countries is a cumulative cycle that is difficult to break, where low poverty rates create conditions that exacerbate poverty itself. The results of this study are in line with the results of research conducted by Fithriati Armin and Idris entitled "Analysis of the Effects of Education, Unemployment, Poverty, and Income Inequality on Crime in Indonesia," which found that there is a positive and significant relationship between poverty and crime (Armin & Idris, 2020). And research conducted by Raihan Saputra (2023) "Analysis of Education Level, Poverty and

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Unemployment on Crime in Bekasi" with research results stating that there is a significant correlation between crime and education level, poverty has a negative effect on crime, and unemployment has a positive effect on crime. Long-term research results show significant positive results (R. Saputra, 2023). The findings in this study and those of Fitriati Armin and Idris reinforce the validity that poverty is one of the factors causing crime. This is in line with the vicious cycle of poverty theory, which states that these two mechanisms ultimately worsen poverty, leading to high unemployment, which in turn forces individuals to seek illegal alternatives to meet their daily needs. The structural conditions created by this cycle of accumulation prolong the duration of poverty and increase social vulnerability. Because poverty is a driving factor of crime, poverty and crime are closely related. This shows that poverty will always exist in society. As a result of a lack of other options and the need to survive, poor individuals often resort to criminal acts (Nahe Sahrul, 2024).

3.2.2 The Effect of Open Unemployment Rates on Crime Rates in Indonesia

Based on the interpretation of the VECM estimation results, the open unemployment rate variable has a significant positive effect on the crime rate in the long term. According to the neoclassical theory developed by Arthur Pigou in The Theory of Unemployment, unemployment occurs when there is an imbalance between labor supply and demand. This study is similar to the study by Boge Triatmanto and Suryaning Bawono (2023) entitled "The interplay of corruption, human capital, and unemployment in Indonesia: Implications for economic development." The results of this study explain that the unemployment rate has a positive and significant effect on corruption in the long term, and unemployment has a significant negative effect on corruption and human capital in the short term (Triatmanto & Bawono, 2023). In the long term, high open unemployment can damage economic and social structures, weaken institutional integrity, and create an environment in which corruption and crime become "rational" ways to survive or seek profit. This can be explained through the neoclassical theory of open unemployment, in which the imbalance between labor supply and demand creates social frustration and chronic poverty, which in turn drives individuals to engage in criminal activities as a coping mechanism, such as economic crime or violence. In previous studies, these similar results indicate that open unemployment is a structural determinant that triggers illegal behavior in general in Indonesia. Although the objects of study are different—general crime and corruption—both have the same root cause, namely economic pressure due to the loss of legitimate income (Raphael, S., & Winter-Ebmer, 2020).

3.2.3 The Effect of Poverty and Open 'Unemployment Rates on Crime Rates in Indonesia

Based on the simultaneous test table above, it is known that the poverty rate and open unemployment rate have positive and significant results. In theory, Robert Agnew's General Strain Theory focuses more on individuals' emotional responses to "strain" or tension caused by poverty. Poverty generates this strain by creating frustration, anger, and despair, which in turn encourages criminal behavior as a coping mechanism, especially impulsive or economic crimes such as robbery. The results of this study are in line with the results of a study conducted by John Motsamai Modise entitled "Social And Economic Drivers Of Violent Crime In South Africa: The Impact Of Poverty And Unemployment," which states that poverty and unemployment have a significant influence on the dependent variables of violent crime, such as armed robbery, theft, and carjacking (Modise, 2025). In this context, structural poverty in developing societies such as Indonesia exacerbates strain, where unequal access to education and legal employment triggers normative deviation, as Agnew explains that sustained strain increases the probability of criminality. Limited resources and a lack of employment opportunities collectively increase the motivation of perpetrators driven by urgent economic needs. While poverty is the main source of strain, unemployment serves as a triggering factor that eliminates the last source of legitimate income, thereby encouraging deviant adaptation, especially for property-oriented violent crimes as found by Modise.

4. CONCLUSION

Although short-term estimates show that poverty and open unemployment tend to have an insignificant negative impact, these findings change drastically in the long term. Through cointegration tests, it has been proven that there is a strong relationship between these variables, indicating that socio-economic dynamics require time to transform into real triggers of crime. This means that criminal acts in response to economic conditions do not occur instantly (in the short term). This may be because poor or unemployed people are still able to adjust by utilizing their savings or government assistance programs, so that economic pressures do not fully drive criminal acts. In addition, crime in the short term is more influenced by situational factors, so that poverty and unemployment are not significantly apparent (Cohen, L., & Felson, 2020). The recommendations from this study are expected to reduce crime rates by strengthening poverty alleviation programs and job creation, given the significant positive impact of poverty and unemployment in the long term. Therefore, the central and regional governments need to prioritize programs that have a direct impact on increasing income and providing legal employment opportunities. Given the causality between poverty and unemployment, policies need to be designed to break the cycle of poverty through targeted social assistance and improved access to quality education to prevent a domino effect on unemployment, which can ultimately reduce crime rates. This study has limitations in that the observation period is relatively short and does not include other variables that could potentially affect crime rates, particularly economic factors such as education levels,

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population density, inflation, and economic growth (GDP). Therefore, further research is highly recommended to add other variables that have a significant influence on crime, such as education level, population density, inflation, economic growth (GDP), and health.

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