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DETERMINANTS OF POVERTY LEVELS IN TERMS OF REGIONAL REVENUES AND EXPENDITURES IN REGENCY/CITY JAMBI PROVINCE

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ABSTRACT

The aim of this research is 1) To analyze the development conditions of poverty levels, local original income, general allocation funds, special allocation funds, profit sharing funds, capital expenditures and expenditures on regency/city goods and services in Jambi Province for 2017-2022. 2) To analyze the influence of Regional Original Income, General Allocation Funds, Special Allocation Funds, Profit Sharing Funds, Capital Expenditures and Goods and Services Expenditures on Regency/City Poverty Levels in Jambi Province in 2017-2022. Type of research used is descriptive and quantitative population research in this research is all districts/cities in Jambi Province, data collection techniques are indirect observation and library research (library study). The type of data used in this research is secondary data. The data analysis technique in this research uses panel data regression. The research results show that Original Regional Income has a negative and insignificant effect on the poverty level, meaning that if local original income increases, the poverty level will decrease. General Allocation Funds have a negative and significant effect on poverty, meaning that if general allocation funds increase, the poverty level will decrease. Special Allocation Funds have a negative and significant effect on poverty, meaning that if special location funds increase, the poverty level will decrease. Profit Sharing Funds have a negative and significant effect on poverty, meaning that if profit sharing funds increase it can reduce poverty rates. Capital expenditure has a negative and insignificant effect, meaning that if capital expenditure increases, the poverty level will decrease but not significantly. Expenditure on goods and services has a negative and significant effect, meaning that if expenditure on goods and services increases, the poverty level will decrease.

ARTICLE INFO

1.0 INTRODUCTION

The problem of poverty is one of the fundamental problems that is the center of attention of the government in every country. Until now, the phenomenon of poverty occurs in many countries in the world, especially in developing countries. Indonesia is one of the developing countries that has not been able to get out of the problem of poverty which feels so heavy and difficult that it seems as if it cannot be overcome (Daniel, 2021).

According to (Nurwati, 2008) Poverty has a broader meaning than just a person's lower level of income or consumption than measurable welfare standards such as minimum calorie requirements or the poverty line, but povertyhas a deeper meaning because it is related to the inability to achieve aspects beyond income (non-income factors). One type of poverty that is often found, especially in developing countries, is structural poverty. In the Indonesian context, structural poverty has many factors, such as government policy, infrastructure, and access to resources.

Based on data from Central Statistics Agency (2023), Papua Province is the region with the highest poverty rate in Indonesia during the 2017 to 2022 period, namely 27,12 percent on average. Structural poverty in Papua is reflected in the indigenous Papuan group who live below the poverty line. The economic development that occurs in Papua mostly impacts immigrants, not native Papuans.

Based on data released by Central Statistics Agency 2019, the Expected Years of Schooling is still low, namely 11.29, lower than other provinces and even far below the national Expected Years of Schooling of 12.87. Shows that people who work in Papua are dominated by people who have only graduated from elementary school, with their job positions mostly being temporary/unpaid laborers, so that local people cannot enjoy natural wealth because they are controlled by foreign investors (immigrants). and ruler. This is proven by data from the Papua Province Central Statistics Agency, the number of Domestic Investment Companies is 184 units, less than the number of Foreign Investment Companies of 323 units in 2020. Apart from that, the level of public health is still very poor, where there are 4.5 percentof toddlers (0-23 months) suffer from malnutrition, almost 30 percent of toddlers experience stunting (National Populationand Family Planning Agency Papua, 2020).

Poverty also occurs in the regency/city of Jambi Province. The regency/city poverty rate in Jambi Province for 2017-2022 averaged 7,83 percent, lower than the National Poverty Rate of 9,75 percent. East Tanjung Jabung Regency is the poorest district with the highest poverty rate, namely 11.63 percent (Jambi Province Central Statistics Agency, 2023).

Poverty in East Tanjung Jabung regency is an illustration of structural poverty in Jambi Province, where many people are poor amidst abundant natural resources such as oil and natural gas mining. with the highest export value for themining commodity sub-sector of 1.304.594.833 (US$) (Ardi, 2022). In 2022, East Tanjung Jabung Regency will experience an increase in economic growth of 0,57 percent. Oil and natural gas have not been able to boost the rate of economic growth to reach the level of 5 (five) percent or raise East Tanjung Jabung's ranking above other regency/city in Jambi Province.

According to the 2017-2022 Jambi Provincial Government Agency Performance Report. The average achievement of the Jambi Province Poverty Level of 7,83 is greater than the target that has been set, only two years are below the target, namely 2019 and 2022. To overcome poverty, the government has created a School Operational Assistance, Rice for the Poor, Direct Assistance program Cash, Poor Insurance, District development program, Urban Poverty Alleviation Program, Rural Infrastructure Development Program and strengthened ministry/institution programs, Family Hope Program, in the form of special assistance for education and health (Murdiyana & Mulyana, 2017).

To finance this program, fiscal policy is needed through revenues and expenditures from the Regional Revenue and Expenditure Budget. To finance the administration of regional government, Original Regional Revenue must be the largest source of finance. Original Regional Revenue is also used as a barometer for the success of implementing regional autonomy (Simbolon & Elviani, 2017).

Based on data from DJPK.Kemenkeu for the amount of Original Regional Income of Regency/City of Jambi Province, the highest is Jambi City, amounting to Rp. 2.307 billion, -, while Sungai Penuh City received the lowest Original Regional Income of Rp. 255 billion. On average, the amount of Original Regional Income for 2017-2022 in the regency/city of Jambi Province tends to increase, although there are some declines in certain years.

Central government support for regional governments in an effort to improve people's welfare in order to reduce poverty levels is carried out by providing transfer funds (intergovernmental transfers) obtained from the General

Allocation Fund, Special Allocation Fund, and Profit-Sharing Fund sourced from the State Revenue and Expenditure Budget (Putra, 2023).

The total amount of fund transfer assistance from the central government for regency/city in Jambi Province for the 2017-2022 period. The General Allocation Fund amounted to IDR 38.422 billion. The highest General Allocation Fund achieved by Jambi City was IDR. 704,17 billion, - while the lowest General Allocation Fund was achieved by Sungai Penuh City, namely selbelsar Rp. 418,78 billion, -. The next transfer fund from the central government is the Special Allocation Fund. Regency/city Special Allocation Funds in Jambi Province for the 2017-2022 period amount to IDR. 11.400 billion, - The highest Special Allocation Fund was achieved by Jambi City, namely Rp. 1.387 billion, - while the lowest Special Allocation Fund was achieved by Sungai Penuh City, namely IDR. 574 billion, -.

The next Transfer Fund is the Profit-Sharing Fund which is sourced from State Revenue and Expenditure Budget revenues which are allocated to regions based on percentage figures to fund regional needs in the context of implementing decentralization. Profit Sharing Funds have a negative and insignificant effect on poverty, meaning that if the Profit-Sharing Funds increase it will reduce the poverty rate. And to reduce the amount of poverty requires a spending budget in each period.

Regional government policy in the form of fiscal policy through regional government expenditure is a means of government intervention in the economy which is considered the most effective. Direct expenditure such as Goods and Services Expenditure is expected to be able to overcome the problem of poverty in the regency/city of Jambi Province. Spending on goods and services for 11 regency/city in Jambi Province during the 2017 to 2002 period amounted to IDR. 18.928 billion, - The highest expenditure on goods and services was obtained by Jambi City, namely Rp. 493,69 billion, while the lowest expenditure on goods and services was achieved by Sungai Penuh City, namely IDR. 193,60 billion.

Based on the above phenomenon, it can be seen that the realization of regional revenues such as Regional Original Income, General Allocation Funds, Special Allocation Funds, Profit Sharing Funds, and regional expenditures such as Capital Expenditures and Expenditures on goods and services from 2017 to 2022 in the regency/city of Jambi Province continues has increased, even many poverty alleviation programs have been implemented, natural resources are abundant such as coal, oil and gas, and gold, but poverty in Jambi Province still exists, especially in the main producing areas of natural resources, with little impact. to the welfare of the surrounding community. Furthermore, the Poverty Level only decreased slightly and the Poverty Level achievements mostly did not meet the target, meaning that there were problems and obstacles in implementing development policies by the government, this phenomenon is an interesting fact to research.

Referring to the main issue raised above, this research aims: first, analyze the development conditions of the Poverty Level of Regional Original Income, General Allocation Funds, Special Allocation Funds, Profit Sharing Funds, Capital Expenditures and Regency/City Goods and Services Expenditures in Jambi Province in 2017- 2022. Second, analyze the influence of Regional Original Income, General Allocation Funds, Special Allocation Funds, Profit Sharing Funds, Capital Expenditures and Goods and Services Expenditures on Regency/City Poverty Levels in Jambi Province in 2017-2022.

2.0 LITERATURE REVIEW

Poverty Theory

The main theories (grand theory) about poverty, namely: (1) neo-liberal theory, and (2) social democratic theory. Neo-liberal theory essentially says that an important component of a society is individual freedom. Social democratic theory views that poverty is not an individual problem, but structural. Poverty is an economic inability to meet basic food and non-food needs as measured in terms of expenditure. Poor people are people whose average monthly per capita expenditure is below the poverty line. The poverty line consists of two components, namely the Food Poverty Line and the Non-Food Poverty Line (Central Statistics Agency, 2023). Structural poverty is poverty caused by differences between cities and villages and unequal competition between regions that have comparative advantages and regions that do not have comparative advantages (Todaro & Smith, 2013).

Concept of Regional Revenue and Expenditure Budget

In the Regulation of the Minister of Home Affairs of the Republic of Indonesia Number 37 of 2014 concerning Guidelines for Preparing Regional Revenue and Expenditure Budgets for Fiscal Year 2015 Article 1 Paragraph 1, the definition of Regional Revenue and Expenditure Budget is the annual financial plan of regional government which is discussed and approved jointly by the Regional Government and the Representative Council Regional People, and determined by regional regulations.

Concept of Original Regional Income

Original Regional Income according to Law Number 1 of 2022, namely Regional Income obtained from regional taxes, regional levies, results from the management of separated regional assets, and other legitimate Regional Original Income in accordance with statutory regulations.

General Allocation Fund

Government Regulation Number 12 of 2019 article 1 states that General Allocation Funds are funds originating from the State Revenue and Expenditure Budget which are allocated with the aim of financial equality between regions to fund regional needs in the context of implementing decentralization.

Special Allocation Fund

Government Regulation Number 12 of 2019 article 1 states that Special Allocation Funds are funds sourced from State Revenue and Expenditure Budget revenues which are then allocated to certain regions with the aim of helping to fund special activities which are regional affairs which fall under regional authority.

Profit Sharing Fund

Law Number 1 of 2022 concerning Financial Relations between the Central Government and Regional Government states that Profit Sharing Funds are part of the Regional Performance Allowance which is allocated based on a percentage of certain income in the State Revenue and Expenditure Budget and certain performance, which is distributed to producing regions with the aim of reducing fiscal inequality between the Government and Regions, as well as to other non-producing Regions in order to overcome negative externalities or increase equality within one region.

Capital Expenditures

Based on Government Regulation Number 12 of 2019 concerning Regional Financial Management, it explains that capital expenditure is budget expenditure for the acquisition of fixed assets and other assets that provide benefits for more than one accounting period.

Shopping for Goods and Services

According to Ministry of Finance regulation number 110/Work Period Review 02 of 2018, regarding budget classification, spending on goods and services is to accommodate the purchase of goods and/services that are used up to produce goods and/services that are marketed or not marketed and the procurement of goods that are intended to be handed over or sold to the community/Local Government and travel shopping.

3.0 METHODOLOGY

The data used is Regency/City Poverty Level data in Jambi Province for 2017-2022 in percentage units. And reports on the realization of Regency/City Regional Revenue and Expenditure Budgets in Jambi Province, namely Regional Original Income, General Allocation Funds, Special Allocation Funds, Profit Sharing Funds, Capital Expenditures and Goods and Services Expenditures for 2017-2022 in billions of rupiah. The data in this research comes from the official website of the Directorate General of Fiscal Balance, Ministry of Finance and the Central Statistics Agency. In answering the first problem, descriptive research is used to describe phenomena related to the problem being studied. And in answering the second problem is quantitative research using panel data regression.

Panel Data Regression

The analysis technique in this research uses panel data regression. This panel data regression model uses the dependent variable Poverty Level (TK) (Y), and the independent variables are Regional Original Income (X1), General Allocation Funds (X2), Special Allocation Funds (X3), Profit Sharing Funds (X4), Expenditures Capital (BM) (X5) and Expenditure on Goods and Services (BBJ) (X6). If written in a function form, the regression formula is as follows:

$$TK = f(PAD, DAU, DAK, DBH, BM, BBJ)$$

Then the regression model can be expressed in linear form as follows the following:

$$TK_{it} = \alpha + \beta_1 PAD_{it} + \beta_2 DAU_{it} + \beta_3 DAK_{it} + \beta_4 DBH_{it} + \beta_5 BM_{it} + \beta_6 BBJ_{it}\ e_{it}$$

Where :

TK	= Regency/City Poverty Level in Jambi Province.
PAD	= Regency/City Original Regional Income in Jambi Province.
DAU	= District/City General Allocation Fund in Jambi Province.
DAK	= District/City Special Allocation Fund in Jambi Province.
DBH	= Regency/City Profit Sharing Fund in Jambi Province
BM	= Regency/City Capital Expenditure in Jambi Province
BBJ	= Regency/City Shopping for Goods and Services in Jambi Province
α	= Intercept
$\beta_1, \beta_2, \beta_3,$	= Independent variable regression coefficients
i	= 1, 2 , 3 ......, 11 (cross-section data for regency/city in Jambi Province)
t	= 1, 2, 3 ...., 5 (time series data, 2017 – 2022)
el	= Error term

4.0 FINDINGS AND DISCUSSION

Conditions and Development of Poverty Levels of Regional Original Income, General Allocation Funds, Special Allocation Funds, Profit Sharing Funds, Capital Expenditures and Regency/City Goods and Services Expenditures in Jambi Province, you can see the following table:

Table 1 Average Development of Poverty Levels, Original Regional Income, General Allocation Funds, Special Allocation Funds, Profit Sharing Funds, Capital Expenditures, and Expenditures on Goods and Services in the Regency/City of Jambi Province in 2017-2022 (Percent)

Region	Development (Percent)						
	Poverty	Locally-generated revenue	General Allocation Fund	Special Allocation Fund	Profit Sharing Fund	Capital Expenditures	Shopping for Goods and Services
Kerinci	7,37	-13,51	-1,02	2,05	17,25	-2,65	4,45
Merangin	8,87	4,33	-1,62	1,44	12,31	-10,89	6,36
Sarolangun	8,64	-3,52	-1,80	40,29	19,33	4,00	2,99
Batanghari	9,94	6,69	-1,46	4,94	19,98	14,96	5,80
Muaro Jambi	4,18	8,45	-1,43	45,92	12,25	-7,84	14,52
Tanjung Jabung Timur	11,63	-1,10	-0,61	6,40	4,00	3,04	11,72
Tanjung Jabung Barat	10,67	5,98	-0,96	9,18	15,76	9,77	16,79
Tebo	6,52	-2,00	-1,80	15,32	13,45	18,82	10,38
Bungo	5,77	-1,83	-1,43	-1,59	19,09	-1,99	5,41
Jambi City	8,51	2,70	-1,01	6,17	10,80	-1,60	4,41
Sungai Penuh City	2,96	21,90	-0,60	1,23	17,67	-2,47	20,45
Average	**7,83**	**0,82**	**-1,28**	**6,97**	**13,10**	**-0,65**	**7,53**

Source: Jambi Province Central Statistics Agency and Directorate General of Financial Balance, 2023

The poverty level in the Regency/City of Jambi Province during 2017-2022 tends to decrease. With an average poverty rate of 7,83 percent per year. According to the BPS Jambi Province publication, namely Analysis of Poverty Conditions in Jambi Province in 2022, it is influenced by the poverty line which has increased, both in urban and rural areas. In general, the poverty line increased from IDR 506.355 per capita per month in March 2021 to IDR 545.870 per capita per month in March 2022 (an increase of 7,80 percent). Meanwhile, in urban areas it rose by 8,90 percent. The highest poverty rate is in East Tanjung Jabung Regency, namely 11,63 percent. Meanwhile, the lowest poverty rate was achieved by Sungai Penuh City, namely 2,96 percent. This is because Sungai Penuh City has the smallest population, namely 99,2 thousand people.

The development of Original Regional Income in the Regency/City of Jambi Province during 2017-2022 is quite low with the average development of Original Regional Income in the districts/cities of Jambi Province during 2017-2022 being 0,82 percent per year. The highest development of Original Regional Income was in Sungai Penuh City at 21,90 percent. The high original regional income in Sungai Penuh City is due to the fact that Sungai Penuh City is the last expansion area in Jambi Province, so that River Full City continues to make efforts to increase regional income potential to be more independent in financing its regional budget needs. Meanwhile, the lowest development of Original Regional Income occurred in Kerinci Regency at -13,51 percent. This is due to the impact of regional expansion, so that Kerinci Regency loses the large tax potential which is currently the right of the Sungai Penuh City government.

The average development of the General Allocation Fund in the Regency/City of Jambi Province during 2017- 2022 was -1,28 percent per year. The highest development of the General Allocation Fund was in Sungai Penuh City at - 0,60 percent, although the average is negative, the increase each year is quite significant, only in 2020 there was a significant decrease. The high level of development of the General Allocation Fund in Sungai Banyak City is due to the fact that Sungai Penuh City is the last expansion area in Jambi Province, so that the Central Government pays great attention to River Full City so that River Full City can meet the needs of its regional budget. Meanwhile, the lowest development of the General Allocation Fund occurred in Sarolangun Regency and Tebo Regency, namely -1,80 percent. The low development of the General Allocation Fund in Sarolangun Regency and Tebo Regency is due to the decreasing budget requirements required by Sarolangun Regency and Tebo Regency so that the General Allocation Fund allocation isreduced to avoid a budget surplus.

The average development of Special Allocation Funds in the Regency/City of Jambi Province during 2017-2022 was 6,97 percent per year. The highest development of Special Allocation Funds was in Muaro Jambi Regency, namely 45,92 percent. The high development of Special Allocation Funds in Muaro Jambi Regency was due to a significant increase in 2018, namely 200.45 percent. Meanwhile, the lowest development of Special Allocation Funds occurred in Bungo Regency, namely -1,59 percent. The low development of Special Allocation Funds in Bungo Regency is due to a decrease in the realization of Special Allocation Funds 3 times, namely in 2018, 2020 and 2021.

The average development of Profit-Sharing Funds in the Regency/City of Jambi Province during 2017-2022 was 13,10 percent per year. The highest development of Profit-Sharing Funds was in Batanghari Regency at 19,98 percent. The high development of Profit-Sharing Funds in Batanghari Regency is due to a significant increase in 2021, namely 107.28 percent. Meanwhile, the lowest development of Profit-Sharing Funds occurred in East Tanjung Jabung Regency at 4 percent. The low development of Profit-Sharing Funds in East Tanjung Jabung Regency is due to a decrease in Revenue Sharing Fund receipts in 2018 and 2020.

The average development of capital expenditure in the Regency/City of Jambi Province during 2017-2022 is -0,65 percent per year. The highest development of capital expenditure was in Tebo Regency, namely 18,82 percent. The high development of capital expenditure in Tebo Regency is due to the large number of road infrastructure developments in rural areas so that a lot of capital expenditure allocation is required. Meanwhile, the lowest growth in capital expenditure occurred in Merangin Regency, namely -10,59 percent.

The average development of spending on goods and services in the Regency/City of Jambi Province during 2017-2022 was 7,53 percent per year. The highest growth in spending on goods and services was in West Tanjung Jabung Regency at 16,79 percent. Meanwhile, the lowest growth in spending on goods and services occurred in Sarolangun Regency at 2,99 percent.

The Influence of Regional Original Income, General Allocation Funds, Special Allocation Funds, Profit Sharing Funds, Capital Expenditures and Goods and Services Expenditures on Regency/City Poverty Levels in Jambi Province 2017-2022.

Test Chow

Chow Test is carried out to compare/choose which model is the best between Partial Least Square and Fixed Effect Model.

Table 2 Chow test to choose between Partial Least Square and Fixed Effect Model models

Effects Test	Statistic	d.f.	Prob.
Cross-section F	34.463113	(10,49)	0.0000
Cross-section Chi-square	137.517202	10	0.0000

Source: Processed Data, Eviews 9 (2023)

Based on the Eviews output, it shows that both the F test and Chi-Square are significant (Prob. 0,0000 and 0,0000 are smaller than alpha 0,05 percent), so H_0 is rejected and H_1 is accepted. It can be concluded that the Fixed Effect Model is better than the Partial Least Square model.

Hausman test

The Hausman Test is carried out to compare/choose which model is the best between the Fixed Effect Model and the Random Effect Model.

Table 3 Hausman test to choose between the Fixed Effect Model and the Random Effect Model

Test Summary	Chi-Sq. Statistic	Chi-Sq. d.f.	Prob.
Cross-section random	69.548582	6	0.0000

Source: Processed Data, Eviews 9 (2023)

Based on the Eviews output, it shows that the Chi-Square statistical value has a smaller Prob than alpha, 0,05 percent (0,0000 < 0,05), so the hypothesis H_0 is rejected and H_1 is accepted. It can be concluded that the Fixed Effect Model is better than the Random Effect Model.

Based on the results of the Chow test and Hausmann test, the model that often appears is the Fixed Effect Model so that the Lagrange multiplier test is no longer needed and this research will use the Fixed Effect Model as the model in this research.

Estimation of Fixed Effect Model Variable Coefficients

The results of panel data equation estimation regarding the influence of Regional Original Income, General Allocation Funds, Special Allocation Funds, Profit Sharing Funds, Capital Expenditures and Goods and Services Expenditures on Regency/City Poverty Levels in Jambi Province for 2017-2022 are as follows:

Table 4 Fixed Effects Model (FEM) Estimation Results

Variable	Coefficient	Std. Error	t-Statistic	Prob.
C	16.22320	1.429859	11.34601	0.0000
PAD?	-3.23E-12	3.36E-12	-0.962789	0.3404
DAU?	-7.24E-12	3.39E-12	-2.134553	0.0378
DAK?	-1.35E-11	4.77E-12	-2.827192	0.0068
DBH?	-4.53E-12	1.18E-12	-3.850383	0.0003
BM?	-1.05E-12	1.41E-12	-0.740931	0.4623
BBJ?	-7.00E-12	2.38E-12	-2.935089	0.0051
Fixed Effects (Cross)				
_KERINCI--C	-0.719624			
_MERANGIN--C	0.995541			
_SAROLANGUN--C	1.042090			
_BATANGHARI--C	0.560425			
_MUAROJAMBI--C	0.619621			
_TANJABBAR--C	0.726562			
_TANJABTIM--C	0.028987			
_TEBO--C	-0.512337			
_BUNGO--C	-0.725242			
_KOTAJAMBI--C	-1.588181			
_KOTASUNGAIPENUH--C	-1.867092			

Effects Specification

Cross-section fixed (dummy variables)

R-squared	0.997751	Mean dependent var	7.732273
Adjusted R-squared	0.997016	S.D. dependent var	2.603990
S.E. of regression	0.142242	Akaike info criterion	-0.845254
Sum squared resid	0.991410	Schwarz criterion	-0.281252
Log likelihood	44.89337	Hannan-Quinn criter.	-0.622390
F-statistic	1358.429	Durbin-Watson stat	1.769422
Prob(F-statistic)	0.000000		

Source: Processed Data, Eviews 9 (2023)

Model equation as follows:

$$\mathbf{TK_{it} = 16{,}22320 - 0{,}00000000000323 PAD_{it} - 0{,}00000000000724 DAU_{it} - 0{,}0000000000135 DAK_{it} -}$$
$$\mathbf{0{,}00000000000453 DBH_{it} - 0{,}00000000000105 BM_{it} - 0{,}000000000007 BBJ_{it} + e_{it}}$$

Based on the model equation above, it can be explained that the results of the estimation of the Fixed Effect are that if there is a change between Regional Original Income, General Allocation Funds, Special Allocation Funds, Profit Sharing Funds, Capital Expenditures and Expenditures on Goods and Services both between regions and over time, then the constant value is equal to 16,22320 This means that if Original Regional Income, General Allocation Funds, Special Allocation Funds, Profit Sharing Funds, Capital Expenditures and Expenditures on goods and services remain the same, the poverty rate in Regency/City in Jambi Province in 2017-2022 is 16,22320 percent.

Regional Original Income Variable

The coefficient value of Original Regional Income is -0,00000000000323 and the variable is fixed or constant, it can be interpreted that when Original Regional Income increases by one rupiah, the poverty level in Regency/City in Jambi Province decreases by 0,00000000000323 percent. Or when Original Regional Income increased by 10 billion rupiah, the poverty level in Regencies/Cities in Jambi Province decreased by 0,0323 percent. Based on the research results, Original Regional Income does not have a significant effect on the poverty level in regency/city in Jambi Province. These results agree with research conducted by (Amami & Asmara, 2022) which said that Regional Original Income does not have a significant effect on poverty levels.

General Allocation Fund Variables

The coefficient value of the General Allocation Fund is -0,00000000000724 and the variable is fixed or constant, so it can be interpreted that when the General Allocation Fund increases by one rupiah, the poverty level in Regency/City in Jambi Province decreases by 0,00000000000724 percent. Or when the General Allocation Fund increased by 10 billion rupiah, the poverty level in Regencies/Cities in Jambi Province decreased by 0,0724 percent. Based on the research results, the General Allocation Fund has a negative and significant effect on the poverty level in regency/city in Jambi Province. These results agree with research conducted by (Syahidin & Jalil. M, 2020) which states that there is a negative relationship between General Allocation Funds and poverty.

This shows that if the General Allocation Fund increases, poverty can be reduced. The influence of General Allocation Funds on poverty levels is because general allocation funds are part of transfers to regions aimed at equalizing financial capacity and public services between regions. In addition, the management of general allocation funds is fully regulated by regional governments for the implementation of regional programs in accordance with their respective priorities.

Special Allocation Fund Variables

The coefficient value of the Special Allocation Fund is -0,000000000135 and the variable is fixed or constant, so it can be interpreted that when the Special Allocation Fund increases by one rupiah, the poverty level in Regency/City in Jambi Province decreases by 0,0000000000135 percent. Or when the Special Allocation Fund increased by 10 billion rupiah, the poverty level in Regency/City in Jambi Province decreased by 0,135 percent. Based on the research results, theSpecial Allocation Fund has a negative and significant effect on the poverty level in regency/city in Jambi Province. These results agree with research conducted by (Gumellar & Khairina, 2021) which states that there is a negative relationship between Special Allocation Funds and poverty.

This shows that if the Special Allocation Fund increases, poverty can be reduced. The influence of Special Allocation Funds on poverty levels is because the value of Special Allocation Funds received by regional governments is used to fund special activities which are regional affairs. The special activities in question are in accordance with the functions determined by the State Revenue and Expenditure Budget, for example for public services, education and others.

Profit Sharing Fund Variable

The coefficient value of the Profit-Sharing Fund is -0,00000000000453 and the variable is fixed or constant, it can be interpreted that when the Profit-Sharing Fund increases by one rupiah, the poverty level in the Regency/City in Jambi Province decreases by 0,00000000000453 percent. Or when the Profit-Sharing Fund increased by 10 billion rupiah, the poverty level in Regency/City in Jambi Province decreased by 0,0453 percent. Based on research results, Profit Sharing Funds have a negative and significant effect on poverty levels in regency/city in Jambi Province. These results agree with research conducted by (Sari et al., 2022) which states that there is a negative relationship between Profit Sharing Funds and poverty.

This shows that if Profit Sharing Funds increase, poverty can be reduced. The influence of Profit-Sharing Funds on poverty levels is because Profit Sharing Funds are allocated with the aim of reducing vertical inequality between the center and the regions. Profit Sharing Funds are allocated with the aim of carrying out development activities or programssuch as improving public facilities and infrastructure so that ultimately, they can reduce poverty levels in the region.

Capital Expenditure Variable

The capital expenditure coefficient value is -0,00000000000105 and the variable is fixed or constant, so it can be interpreted that when capital expenditure increases by one rupiah, the poverty level in Regency/City in Jambi Province decreases by 0,00000000000105 percent. Or when capital expenditure increased by 10 billion rupiah, the poverty level in Regency/City in Jambi Province decreased by 0,0105 percent. Based on the research results, capital expenditure does not have a significant effect on poverty levels in regency/city in Jambi Province. These results agree with research conducted by (Amami & Asmara, 2022) which stated that capital expenditure does not have a significant effect on poverty levels.

This shows that capital expenditure in regency/city in Jambi Province has not been able to reduce the level of poverty in regency/city in Jambi Province. There is no effect of capital expenditure in the regency/city of Jambi Province on the poverty level because the realization of capital expenditure in all regency/city of Jambi Province is still very low because the majority of capital expenditure allocation sources are from Regional Original Income.

Goods and Services Expenditure Variables

The coefficient value for spending on goods and services is -0,000000000007 and the variable is fixed or constant, so it can be interpreted that when spending on goods and services increases by one rupiah, the poverty level in districts/cities in Jambi Province decreases by 0,000000000007 percent. Or when spending on goods and services increased by 10 billion rupiah, the poverty level in Regency/City in Jambi Province decreased by 0,07 percent. Based on research results, spending on goods and services has a negative and significant effect on poverty levels in regency/city in Jambi Province. These results agree with (Pangestu, 2019) who said that when spending on goods and services is met properly, government employees will be able to maximize public services.

The influence of spending on goods and services on poverty levels is because the procurement of goods and services can involve poor people, for example by using the services of poor people to implement government programs and activities. Then you can direct vendors to involve poor people as workers in implementing government programs and activities, so that poor people will earn income and be able to meet their living needs.

Estimation of Fixed Effect Model Coefficients for Regency/City Models in Jambi Province

From the estimation results using the Fixed Effect Model, it can be explained that each Regency/City in Jambi Province has different intercept values. Individual Fixed effects can be seen from the following table:

Table 5 Random Effect Estimation Model Fixed Effect Model

Regency/City	Fixed Effect
Kerinci	-0.719624
Merangin	0.995541
Sarolangun	1.042090
Batanghari	0.560425
Muaro Jambi	0.619621
Tanjung Jabung Timur	0.726562
Tanjung Jabung Barat	0.028987
Tebo	-0.512337
Bungo	-0.725242
Jambi City	-1.588181
Sungai Penuh City	-1.867092

Source: Processed Data, Eviews 9 (2023)

Statistical F Test

Based on the estimation results in the Fixed Effect Model, it is found that the Prob (f Statistics) value is 0,00000 < 0,05, which means that H_o is rejected and H_a is accepted, which means that the test together shows Regional Original

Income, General Allocation Funds, Special Allocation Funds , Profit Sharing Funds, Capital Expenditures and Expenditures on goods and services together have a significant effect on the Poverty Level in Regency/City in Jambi Province.

Statistical t test

Test t, the General Allocation Fund variable has a significant effect on the poverty level because the Prob value is 0,0378 < 0,05¸ The Special Allocation Fund has a significant effect on the poverty level because the Prob value is 0,0068 < 0,05, Profit Sharing Funds have a significant effect on the poverty level because the Prob value is 0,0003 < 0,05 and Goods and Services Expenditures have a significant effect on the poverty level in the Regency/City of Jambi Province during 2017-2022 because the Prob value is 0,0051 < 0,05. Meanwhile, the variables of Original Regional Income and capital expenditure do not have a significant effect on the poverty level in Regency/City in Jambi Province during 2017-2022.

Test R^2

The R-Squared value is 0,997751, meaning that the variables Original Regional Income, General Allocation Funds, Special Allocation Funds, Profit Sharing Funds, Capital Expenditures and Expenditures on goods and services have a contribution to the poverty level in Regency/City in Jambi Province of 99,76 percent, while the remaining 0,24 percent (100%-99,76%) is influenced by other variables outside this research.

5.0 CONCLUSION

The poverty level in the Regency/City of Jambi Province during 2017-2022 experienced increases and decreases. The average poverty rate in the Regency/City of Jambi Province during 2017-2022 was 7,83 percent per year. The development of Original Regional Income in the Regency/City of Jambi Province during 2017-2022 experienced ups and downs. The average development of Original Regional Income in the Regency/City of Jambi Province during 2017-2022 was 0,82 percent per year. The development of General Allocation Funds in the Regency/City of Jambi Province during 2017-2022 experienced ups and downs. The average development of the General Allocation Fund in the Regency/City of Jambi Province during 2017-2022 was -1,28 percent per year. The development of Special Allocation Funds in the Regency/City of Jambi Province during 2017-2022 experienced ups and downs. The average development of Special Allocation Funds in the Regency/City of Jambi Province during 2017-2022 was -6,97 percent per year. The development of Profit-Sharing Funds in the Regency/City of Jambi Province during 2017-2022 experienced ups and downs. The average development of Profit-Sharing Funds in the Regency/City of Jambi Province during 2017-2022 was 13,10 percentper year. The development of capital expenditure in the Regency/City of Jambi Province during 2017-2022 experienced ups and downs. The average development of capital expenditure in the Regency/City of Jambi Province during 2017-2022is -0,65 percent per year. The development of spending on goods and services in the Regency/City of Jambi Province during 2017-2022 experienced ups and downs. The average development of spending on goods and services in the districts/cities of Jambi Province during 2017-2022 was 7,53 percent per year.

Based on the research results, it shows that the results of the t test or partial results test show that the General Allocation Fund variable has a significant effect on the poverty level because the Prob value is 0,0378 < 0,05¸ The Special Allocation Fund has a significant effect on the poverty level because the Prob value is 0,0068 < 0,05, Profit Sharing Funds have a significant effect on the poverty level because the Prob value is 0,0003 < 0,05 and Goods and Services Expenditures have a significant effect on the poverty level in the Regency/City of Jambi Province during 2017-2022 because the Prob value is 0,0051 < 0,05. Meanwhile, the variables of Original Regional Income and capital expenditure do not have a significant effect on the poverty level in Regency/City in Jambi Province during 2017-2022.

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