THE EFFECT OF GRDP PER CAPITA, EXPENDITURE ON HEALTH, EXPENDITURE ON SOCIAL PROTECTION, AND HDI ON POVERTY IN SOUTH SUMATERA PROVINCE IN 2015-2021

Pengaruh PDRB Per Kapita, Pengeluaran Kesehatan, Pengeluaran Perlindungan Sosial Dan IPM Terhadap Kemiskinan Di Provinsi Sumatera Selatan Tahun 2015-2021

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Abstract

This research aims to determine the effect of GRDP per capita, expenditure on health expenditure on social protection and the human development index of poverty in South Sumatra Province in 2015-2021. South Sumatra province is a province with a relatively high poverty rate. However, when viewed from the GDP per capita owned, South Sumatra province has the highest GDP per capita. Health spending and social protection spending fluctuate every year. As for the welfare of the community as seen through HDI continues to increase every year. The type of research is descriptive quantitative with an panel data regression analysis method. Based on the results of research and discussion in this study, it can be concluded that per capita GRDP, health expenditure, Social Protection expenditure and HDI together affect the poverty of districts/cities in South Sumatra province in 2015-2021. The partial GDP per capita and HDI have a significant negative effect on poverty. On the other hand, Health Expenditure and Social Protection expenditure have a positive but not significant effect on poverty.

Keywords: GRDP per capita, government expenditure on health and social protection, Human Development Index, Poverty

Abstrak

Penelitian ini bertujuan untuk mengetahui pengaruh PDRB per kapita, pengeluaran kesehatan, pengeluaran perlindungan sosial dan indeks pembangunan manusia terhadap kemiskinan di Provinsi Sumatera Selatan tahun 2015-2021. Provinsi Sumatera Selatan merupakan provinsi dengan tingkat kemiskinan yang relatif masih tinggi. Namun, jika dilihat dari PDRB per kapita yang dimiliki, Provinsi Sumatera Selatan memiliki PDRB per kapita yang tertinggi. Sedangkan pada pengeluaran kesehatan dan pengeluaran perlindungan sosial mengalami fluktuasi setiap tahun. Adapun pada kesejahteraan masyarakat yang dilihat melalui IPM terus mengalami peningkatan setiap tahunnya. Jenis penelitian yang digunakan adalah penelitian deskriptif kuantitatif dengan menggunakan analisis regresi data panel. Berdasarkan hasil penelitian dan pembahasan pada penelitian ini maka dapat ditarik kesimpulan yaitu bahwa PDRB per Kapita, Pengeluaran Kesehatan, Pengeluaran Perlindungan Sosial dan IPM secara bersama-sama berpengaruh terhadap Kemiskinan kabupaten/kota di Provinsi Sumatera Selatan Tahun 2015-2021. Adapun secara parsial PDRB per kapita dan IPM berpengaruh negatif signifikan terhadap kemiskinan. Sedangkan, pada Pengeluaran Kesehatan dan Pengeluaran Perlindungan Sosial berpengaruh positif tetapi tidak signifikan terhadap kemiskinan.

Kata kunci: PDRB per kapita, pengeluaran kesehatan, pengeluaran perlindungan sosial, IPM, Kemiskinan

Introduction

Public welfare is an important aspect that must be considered by the government. The central to regional governments strive to improve the economy of a region so as to create jobs, so that social order is formed and well directed, with the hope that people can live properly and prosperously. One of the government's responsibilities is to reduce poverty, which will have a negative impact on economic development. On the other hand, the poverty rate of a region or country is one of the measurement scales or indicators used to determine the welfare of the people of a country (Hidayat & Azhar, 2022).

One of the indicators of people's welfare is the low level of poverty (Rambe, 2022). People who are in poverty struggle to meet their basic needs, including the need for health care, education, and employment, because they have little money (Riva et al., 2021). A large percentage of the population living in poverty can lead to social problems such as a decrease in the quality of human resources, the formation of various levels of inequality and Social Envy, disturbances in political and social stability, increased crime rates, and other adverse outcomes (Asfar et al., 2022). Therefore, poverty is one of the development targets that needs to be evaluated periodically.

Nurkse in his theory of the vicious circle of poverty revealed that this refers to a series of interplay between various factors that keep poor countries stuck in poverty (Jhingan, 2018). The problem of poverty in Indonesia is still a strategic problem and finding a solution has long been a top priority for the government. Although the government has implemented a number of policies and initiatives aimed at reducing poverty. Nevertheless, there are still some regions whose poverty rate is higher than the national average (Septriani, 2023). Despite the efforts of Central, Regional and municipal governments to combat poverty through policies and programs, there is a gap between planning and achieving goals, with greater emphasis on sectoral activities (Margareni et al., 2016).

Poverty occurs in almost all regions in indonesia, one of which is on the island of Sumatra. There are poverty rate in some provinces is greater than the national average. The largest rate of poverty is found in Aceh Province, which is followed by Bengkulu Province, South Sumatra Province, Lampung Province, and

South Sumatra Province in that order. In contrast, the rates of poverty in Bangka Belitung Islands Province, West Sumatra Province, Jambi Province, North Sumatra Province, and Riau Islands Province are lower than the national average.

Figure 1. Poverty Rate In Sumatra Island And Indonesia In 2020-2021 (Percent)
Source: Indonesian Statistics

South Sumatra province is an area that has very abundant natural resources, in the form of coal, natural gas, and petroleum. South Sumatera province has natural resources that have the potential to increase regional income or gross regional domestic product (GRDP) and improve the welfare of the population, but has not been able to alleviate the problem of poverty. This poverty problem occurs because there is still a lack of human resources and the government in utilizing abundant natural resources. In addition, the low productivity of the community in empowering resources is still low, this happens because of health facilities that have not been felt by all communities. Not only does it require quality health, the government also needs to provide assistance to the poor in an effort to protect the community from the risk of high poverty rates.

Soleh & Wahyuni, (2021) stated that the higher the value of commodities and services that can be produced in a particular region reflects the high productivity of its population. The increase in production has an impact on the amount of money produced, thus affecting the number of people living in poverty.

The GDP per capita in the province with a higher percentage of poor people than the National. South Sumatra province has the third highest poverty rate has the highest per capita GDP, as well as Lampung Province which has the second highest per capita GDP compared to Aceh province and Bengkulu province which has a poverty level above South Sumatra province. however, it has a low GDP per capita.

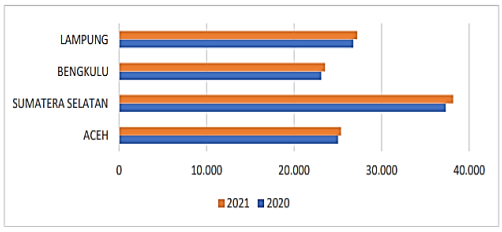

Figure 2. GDP per capita of poor provinces on the island of Sumatra in 2020-2021.
Source: The Indonesian Central Statistics Agency in 2020-2021.

An indicator of how fast a region is developing economically is GDP per capita. The amount of money received by the community will also increase when the per capita GDP statistics rise. Therefore, it can be concluded that the poverty rate will decrease when the GDP per capita is high. Based on figures 1 and 2, there is a misalignment between the theory of the vicious circle of poverty which states that poverty can be overcome by high income, but what happens in South Sumatra province is the opposite, the poverty rate in South Sumatra province is high and the GDP per capita is also high.

The percentage of low-income people in South Sumatra Province's districts and cities for 2020–2021. The data indicates that while the average poverty rate in these districts and cities is on the rise, a number of these districts and cities have seen an increase in their gross regional product (GRDP).

Region	Poverty Rates (%)		GRDP per capita (million Rupiah)	
	2020	2021	2020	2021
Ogan Komering Ulu	12,75	12,62	2,6	2,7
Ogan Komering Ilir	14,73	14,68	2,6	2,7
Muara Enim	12,32	12,32	6,8	7,1
Lahat	15,95	16,46	2,8	2,9
Musi Rawas	13,5	13,89	3,4	3,5
Musi Banyuasin	16,13	15,84	7,1	7,3
Banyuasin	11,17	10,75	2,3	2,4
Ogan Komering Ulu Selatan	10,85	11,12	1,41	1,43
Ogan Komering Ulu Timur	10,43	10,6	1,5	1,6
Ogan Ilir	13,36	13,82	1,80	1,85
Empat Lawang	12,63	13,35	1,05	1,04
Penukal Abab Lematang Ilir	12,62	12,91	2,42	2,44
Musi Rawas Utara	19,47	20,11	2,95	2,99
Kota Palembang	10,89	11,34	6,2	6,3
Kota Prabumulih	11,59	12,2	2,7	2,8
Kota Pagar Alam	9,07	9,4	1,5	1,6
Kota Lubuklinggau	12,71	13,23	1,85	1,88

Source: Central Bureau of Statistics South Sumatra, 2020-2021

Figure 3. Development of the Percentage of Poor People and GRDP per Capita Districts / Cities in South Sumatra Province in 2020-2021.

Source: the Central Bureau of statistics of South Sumatra province.

Efforts in poverty alleviation can not be separated from the role of government. It is critical for governments to play a role in reducing poverty, including by forecasting market failures in the economy. These problems in development can be addressed through government participation in fiscal policy (Ali et al., 2020). Through the management of public services by local governments, decentralization has the potential to influence how well people's basic needs are met. This has an impact on people's quality of life and is very important in the fight against poverty. Delegating power to local governments is related to fiscal decentralization, which in turn will empower the community (Wahyudi et al., 2014). It is hoped that by implementing this fiscal decentralization policy, the problems that exist in each region can be overcome effectively and efficiently, especially the problem of poverty (Septriani, 2023).

The government uses fiscal decentralization policies as one of the main tools to combat poverty,

especially in providing funding for health and social protection functions. While spending at health functions involves routine financing and infrastructure development to support and improve people's well-being in terms of health, spending at social protection functions has the goal of directly helping the poor to be able to meet their basic needs in the short term (Sirait et al., 2022). According to Widodo et al., (2011) the level of public welfare will increase if spending to improve human development is prioritized. Increasing the level of public welfare will lead to a reduction in the number of poor people.

Quality human resources are created largely due to good health. One of the forces driving development is health, and people with high levels of Health will show high levels of life satisfaction. The basic asset of the government in the fight against poverty is a qualified workforce. Therefore, the government should invest to develop a creative workforce that can meet their needs and prevent poverty (Sirait et al., 2022). The success of the government in improving health can be seen from the life expectancy (UHH) which explains how far people can get health facilities.

The health expenditures of districts and cities in South Sumatra Province varied in 2020–2021, The Musi Banyuasin Regency saw the biggest gain in 2020, with Rp. 639 billion, rising to Rp. 793 billion in 2021. In the meantime, Ogan Komering Ulu Regency saw the worst decline, going from Rp. 246 billion in 2020 to Rp. 209 billion in 2021.

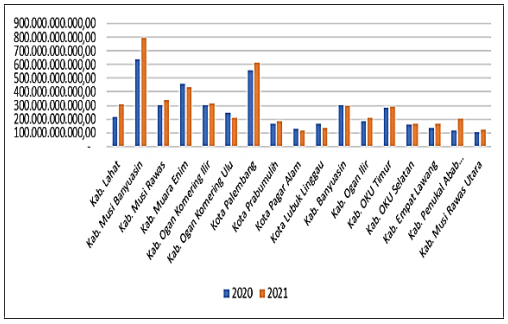

Figure 4. Realization of District/City Health Expenditures in South Sumatra Province in 2020- 2021.

Source: Directorate General of Financial Balance

Government spending Social Protection function is a policy directed at meeting the basic needs of society to improve the welfare of society. Social protection expenditure of districts/cities in South Sumatra province fluctuating in the 2020-2021 period. The largest increase occurred in Prabumulih city of Rp.9 billion in the 2020 period increased to Rp.25 billion in the period 2021. Meanwhile, the biggest decline occurred in Musi Banyuasin regency of Rp.98 billion in

2020 decreased to Rp.49 billion in 2021.

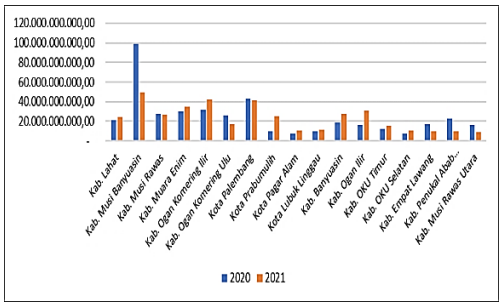

Figure 5. Realization of District/City Social Protection Expenditures in South Sumatra Province in 2020-2021.

Source: Directorate General of Financial Balance.

According to Iping (2020) the dynamics of social and economic transformation of the population in Indonesia requires continuous adaptation to social protection measures. The population subjected to social protection programs is not immune from changes in the social and economic situation on an ongoing basis. Therefore, it is very important to modify the assistance offered to comply with the established standards.

Poverty is not only influenced by government spending, HDI is also one of the indicators that affect poverty, where the effectiveness and results of development activities in a region are evaluated using the Human Development Index (HDI) as a measurement instrument. In other words, the various government development plans reflected in the HDI have been successful. The government's commitment to improve the basic capacity of the people will have a significant impact on the pace of progress of the Human Development Index (HDI), which in turn will affect the improvement of their standard of living (Goni et al., 2022).

The Human Development Index of districts/cities in South Sumatra province in 2020-2021 continues to increase. Palembang city has the highest HDI of 78.33 increasing to 78.72 in 2021. Meanwhile, the lowest HDI in 2020 in South Sumatra province, namely North Musi Rawas Regency, was 64.49, while in 2021 the lowest HDI was in Penukal Abab Lematang Ilir regency at 64.88.

Region	Human Development Index	
	2020	2021
Ogan Komering Ulu	69.32	69.60
Ogan Komering Ilir	66.82	67.17
Muara Enim	68.74	68.86
Lahat	67.44	67.58
Musi Rawas	66.79	67.01
Musi Banyuasin	67.69	68.10
Banyuasin	66.74	67.13
Ogan Komering Ulu Selatan	65.30	65.34
Ogan Komering Ulu Timur	69.28	69.58
Ogan Ilir	67.06	67.17
Empat Lawang	65.25	65.39
Penukal Abab Lematang Ilir	64.70	64.88
Musi Rawas Utara	64.49	64.93
Kota Palembang	78.33	78.72
Kota Prabumulih	74.55	74.67
78Kota Pagar Alam	68.31	68.68
Kota Lubuk Linggau	74.78	74.89

Source: Central Bureau of Statistics South Sumatra, 2020-2021

Figure 6. Development of the Human Development Index in regency/cities in South Sumatera Province in 2020-2021.

Source: the Central Bureau of statistics of South Sumatra province.

Based on the background of the problems that have been described

previously, the research questions that will be examined are how does the influence of GDP per capita, government expenditure on health functions, social protection functions and HDI on the poverty of districts/cities in South Sumatra province in 2015-2021. The benefits of this research can be used as advice to assist practitioners in government in making better decisions and policies regarding poverty alleviation.

Theoretical Basis

Vicious Circle of Poverty Theory

The phrase" vicious circle of poverty " was originally coined by Ragnar Nurkse. According to Nurkse, developing countries often find themselves in a cycle of poverty from which it is difficult to escape. The phrase "vicious circle" describes a scenario in which low productivity in developing countries leads to capital shortages, produces market defects, and encourages economic inaction. Low income levels lead to low demand, which in turn affects low investment, according to the demand side of the equation. Low investment results in low productivity and lack of capital. On the supply side, however, low incomes have the opposite impact on savings. Low savings discourage investment, which then leaves people short of capital (Jhingan, 2018).

A country can be said to remain poor if it still has difficulty in achieving successful economic development because of the cycle of poverty that causes factors related to each other. the core of this problem can be assumed : (1) there are limitations in saving; (2) low capital activities to invest; (3) low knowledge and education of the community. These assumptions can hinder the achievement of success in economic development in developing countries (Arsyad, 2010).

Poverty

The simplest definition of poverty is the inability to meet basic needs by a person or household, such as housing, clothing, and food. Individuals who experience economic poverty also suffer from social, cultural and even political disadvantages, so poverty is a multifaceted concept. In reality, those in poverty have less access to political processes, health services, social life, and cultural activities (Rambe & Purmini, 2020). According to Budhi (2013) in terms of social inequality, poverty occurs because some individuals have been able to meet their basic drinking needs, but are still far behind their environment. Poverty and income distribution issues are closely linked, with the number of people classified

as poor increasing as the income gap between the upper and lower classes widens.

Gross Regional Domestic Product

The measure of the total value of goods and services produced over time in a country or region, can be used to determine the economic health of a region referred to as Gross Regional Domestic Product (GRDP). The entire value of products and services produced in a region during a given period of time is measured by Gross Regional Domestic Product (GRDP). This is in contrast to Gross Domestic Product (GDP), which is a way of determining national income.

Government Expenditure

The government has the power to manage the economy of a region by making expenditures. Government spending is recorded in the state budget (APBN) and regional budget (APBD). The document contains government revenues and expenditures each year (Sukirno, 2009).

Local governments spend money to capitalize on government activities both mandatory, optional, and special in several fields or parts that can be implemented through collaboration between central governments or between regional governments (Syamsuri & Bandiyono, 2018). According to Kaharudin et al., (2019) the budget is used by the government to plan and manage the external environment. The budget outlines the spending plans and programs of the government as well as the anticipated revenues of the tax system for a given year. A typical budget includes a list of specific programs (such as education, welfare, and defense programs) as well as tax revenues (such as income tax, personal tax, and social insurance). The government budget has two main economic objectives. First, the budget serves as a tool for the government to set the country's goals by dividing production among public, private consumption and investment.

Investments made by the government are made to improve public services such as in the fields of education, health, social protection. Investments made related to the economic sector, for example in the health sector, where increasing health infrastructure will encourage increased labour productivity and increase community income (Widodo et al., 2011).

Health Expenditure

The basic need of society that must be obtained by all people is Health, Health is a right that must be

upheld by the Constitution for every society. A prosperous society can be achieved through investment in human resources by improving health services (Widodo et al., 2011).

To obtain a prosperous society, the government spends to finance public health. Government spending health function is to improve the quality and quality of Health in various regions. Government spending has provided many significant

Based on Health Law Number 36 of 2009 Article 171 paragraph (1) reads “the government's health budget is allocated at least 5% of the state budget outside of salaries”. while the health budget allocation for Provincial, District/city governments is 10%. Through the allocation of government spending in the health sector, it is expected to provide opportunities for the community to obtain health services. Health insurance, free health programs, and the use of poor Cards are some of the initiatives that the government has undertaken to ensure that people have easy access to health services. According to (Wardhana et al (2021) objective of health expenditure is to raise the standard of living and human resource capacity. Health expenditure is used to provide health facilities and improvements in facility availability. However, indirectly it has not been able to improve the quality of Public Health. According to Todaro & Smith (2011) education and health are the foundation of development goals in building better human capabilities. Health is an important aspect for the poor, because poor health conditions will affect the quality of the workforce and the educational process, causing the quality of education to decline. infrastructure in each region to support the growing public health.

Social Protection Expenditure

All public programs and actions implemented to address the various effects and vulnerabilities of a physical, economic and social nature, especially those faced by people living in poverty, can be called Social Protection. The main objective of implementing social protection is to prevent the risks faced by the population from occurring continuously; develop the capacity of the poor and vulnerable to fight and get out of poverty and socio-economic imbalances; as well as strengthening the poor and vulnerable to obtain a dignified standard of living so that poverty does not need to be passed down from generation to generation (Supriyanto et al., 2014).

All efforts to prevent and overcome the effects of social pressure and sensitivity are referred to as social protection. The social protection Program aims to overcome poverty and social vulnerability by making efforts that can strengthen and expand people's ability to defend themselves from loss of income (Rizki, 2021). Social protection is a crucial area where social protection spending can make it easier and support very poor households (RTSM) to access or reach basic health and education services.

Based On The Regulation Of The Minister Of Finance Of The Republic Of Indonesia No. 81 of 2012 on social assistance expenditure states that social assistance expenditure is expenditure in the form of money transfers, goods or services provided by the Central/Local Government to the community in order to protect the community from possible social risks, improve economic capacity and/or public welfare. Social assistance programs run by the government such as Indonesia pintar, National Health Insurance, PKH, BLT, BPNT, and so on.

Human Development Index

HDI compares the extent to which the basic capacity of human development as measured by knowledge, longevity, healthy living, and decent living has been achieved by society. HDI is used to measure how far the success of the quality of human life and development that has been reached by all people to obtain income, health and education. The United Nations Development Programme (UNDP) created the HDI index in 1990 to emphasize the crucial human and resources owned in a development. The annual Human development report regularly publishes the Human Development Index. Life expectancy at birth is used to measure longevity or health. Whereas, a decent life is measured based on the ability of people's purchasing power or PNB per capita. Education is measured by the anticipated duration and average length of schooling (BPS, 2023).

The focus of a country's development strategy should rest on human potential, not just on economic prosperity. Countries that have high quality resources will have an impact on increasing production and state income. Development based on economic growth is only long-term and does not guarantee the welfare of fairly distributed society. Therefore, HDI is used as a measure of the

quality of life of the country (Meydiasari & Soejoto, 2017).

METHOD

This study has quantitative descriptive methodology to analyze numerical data that has been subjected to statistical processing. The type of data used in this research is secondary data obtained from two main sources, namely the official website of the Directorate General of Finance which provides data on expenditure per function from each district and city in South Sumatra Province during the 2015-2021 period, and the South Sumatra Provincial Statistics Agency (BPS) provides data on Poverty, GRDP per capita, and Human Development Index during the period 2015 to 2021. The analysis method used in this study is panel data regression, this is a combination of data across time (time series) and between regions (cross section). The panel data regression analysis method commute by Eviews 12 software.

$$TK_{it} = \beta_0 + \beta 1 lnPDRBKap_{it} + \beta 2 lnPK_{it} + \beta 3 lnPPS_{it} + \beta 4 IPM_{it} + e_{it}$$

TK	= Poverty Rates
LnPDRBKap	= GRDP per Capita
lnPK	= Health Expenditure
lnPPS	=SocialProtection Expenditure
IPM	=Human Development Index
Ln	= Log Natural
i	=Regency/City in South Sumatra Province
t	= Time period (2015-2021)
e	= Error term
α	= Constant
$\beta_1\beta_2\beta_3$	=Regression coefficient of independent variable

RESULTS AND DISCUSSION

Results

1. Chow Test

Chow test is a test to determine the best model between common effect model (CEM) or fixed effect model (FEM) in estimating panel data.

Effects Test	Statistic	d.f	Prob.
Cross-section F	198.191686	(16,98)	0.0000
Cross-section Chi-square	417.367798	16	0.0000

Source: Output Result, Eviews 12

The fixed effect model (FEM) was selected for use in this regression model, a result indicated by the cross-section F probability value of 0.0000 <0.05 in Table 1.

2. Hausman Test

Hausman test was conducted to determine the best model between fixed effect model and random effect model.

Test Summary	Chi-Sq. Statistic	Chi-Sq. d.f.	Prob.
Cross-section random	24.681207	4	0.0001

Table 2 indicates that the cross section probability value is 0.0001

<0.05, as indicated by the Hausman test. The fixed effect model (FEM) is the most suitable model by result of test. The Fixed Effect Model (FEM) is the chosen model based on the Chow and Hausman tests.

3. Interpretation of Fixed Effect Regression Model

TK=79.94800 – 3.411037ln_PDRBKap +0.067955ln_PK+0.057090ln_PPS – 0.286334IPM

Variable	Coefficient	Std. Error	t-Statistic	Prob.
C	79.94800	9.504402	8.411681	0.0000
ln_PDRBKAP	-3.411037	0.850309	-4.011528	0.0001
ln_PK	0.067956	0.189360	0.358871	0.7205
ln_PPS	0.057090	0.141597	0.403189	0.6877
IPM	-0.286334	0.076183	-3.758528	0.0003
Fixed Effects (Cross)				
BANYUASIN--C	-2.851918			
EMPATLAWANG--C	-3.960105			
LAHAT--C	3.355618			
LUBUKLINGGAU--C	0.719299			
MUARAENIM--C	2.592157			
MUSIBANYUASIN--C	6.477134			
MUSIRAWAS--C	0.949620			
MUSIRAWASUTARA--C	5.471528			
OGANILIR--C	-1.496101			
OGANKOMERINGILIR--C	1.450320			
OGANKOMERINGULU	-0.161014			
OKUSELATAN--C	-5.193103			
OKUTIMUR--C	-4.308399			
PAGARALAM--C	-5.951207			
PALEMBANG--C	3.710218			
PALI--C	-1.122413			
PRABUMULIH--C	0.318366			
R-squared	0.981893			
Adjusted R-squared	0.978197			
F-statistic	265.7075			
Prob(F-statistic)	0.000000			

Source: Output Result, Eviews 12

Source: Output Result, Eviews 12

4. Coefficient of Determination

Coefficient of determination is used to measure the magnitude of the influence of the independent variables together (simultaneously) affect the dependent variable as seen from the value of the adjusted R-Square.

Based on Table 3, the conclusion of panel data calculations using the Fixed Effect regression model, the regression equation is obtained as follows:

Adjusted R-squared	0.977617

Source: Output Result, Eviews 12

The fixed coefficient of determination (adj R-squared) of 0.977617 is shown in Table 4. This indicates that four independent variables—GDP per capita, health expenditure, social protection expenditure, and HDI—can account for 97.76% of the poverty rate. Other variables not incorporated in the study's model could account for the remaining 2.24% of the poverty rate.

5. F test

Based on the conclusions of data analysis in Table 3, it is known that the probability value (F-statistic) is 0.0000 > 0.05. Therefore, these results can explain that there is a significant influence together (simultaneously) between independent variables, namely GDP per capita, health expenditure, social protection expenditure and human development index on the dependent variable, namely poverty in districts /

cities in South Sumatra Province in 2015-2021.

6. t test

a. The t-count value of the GDP per capita variable of -4.011528 is smaller than the table t of -1.65833. The conclusion of the study mean that the variable GDP per capita negatively influence the poverty of Regency/ cities in South Sumatra Province in 2015-2021.

b. The t-count rate of the health expenditure variable of 0.358871 is smaller than the table t which is 1.65833. The results of the study mean that the variable Health expenditure has a positive but not significant effect on the poverty of Regency/Cities in South Sumatra Province in 2015-2021.

c. The t-count value of the variable Social protection expenditure is 0.403189 is smaller than the table t which is 1.65833. The results of the study mean that the variable Social protection expenditure has a positive effect but not significant effect on the poverty of Regency/Cities in South Sumatra Province in 2015-2021.

d. The value of t-calculate variable Human development index which is -3.758528 is smaller than an t-table which is -1.65833. The conclusion of the study mean that the human development index variable has a significant negative effect on the poverty of districts / cities in South Sumatra Province in 2015-2021.

7. Heterokedasticity Test

Heteroscedasticity test is performed to see if there is variance inequality of residuals for all observations in the regression model.

Variable	Coefficient	Std. Error	t-Statistic	Prob.
C	-0.046888	15.93229	-0.002943	0.9977
ln_PDRBKap	0.493718	1.425378	0.346377	0.7298
ln_PK	-0.156018	0.317426	-0.491511	0.6242
ln_PPS	0.040753	0.237360	0.171692	0.8640
IPM	-0.037862	0.127705	-0.296477	0.7675

Source: Output Result, Eviews 12

The conclusion of the heterokedasticity test are shown in Table 5, which indicates that there is no heteroscedasticity because the probability value for each variable is largest than 0.05.

8. Multicollinearity Test

Multicollinearity test is performed to see if there is a perfect or close linear relationship between independent variables in the regression model.

	ln_PDRB	ln_PK	ln_PPS	IPM
ln_PDRBKAP	1.000000	0.601193	0.616316	0.325301
ln_PK	0.601193	1.000000	0.885485	0.400903
ln_PPS	0.616316	0.885485	1.000000	0.297210
IPM	0.325301	0.400903	0.297210	1.000000

Source: Output Result, Eviews 12

Table 6 presents the multicollinearity test findings. It indicates that the independent variable's correlation

value is less than 0.90, indicating the absence of a multicollinearity issue.

Discussion

1. The Effect of GRDP per Capita on Regency/City Poverty in South Sumatra Province

The results showed that the variable GRDP per capita has a coefficient value of -3.117711 with a probability value of 0.0001. This shows that the per capita GRDP variable has a significant negative effect on poverty in districts/cities in South Sumatra province from 2015-2021. This means that GDP per capita increased by Rp.1 million then poverty decreased by 3.117711 percent.

The results are in line with the theory of the vicious circle of poverty which explains that poverty can be overcome by several factors, one of which is the Income seen from GDP per capita. GDP per capita is a measure of the average value added generated by each resident in a region as a result of production activities. The increase in value added per individual is expected to improve the overall standard of living of the community through increased income and reduced poverty levels. GDP per capita has the potential to reduce poverty levels because if GDP growth is faster than population growth, it has the potential to reduce poverty levels because faster increases in production and income can benefit society. When GDP grows faster than population growth, there will be an increase in production in society. That said, the added value generated by each individual has the potential to increase, which in turn is expected to encourage a more equitable distribution of income.

An increase in GDP per capita has the potential to increase the productivity of the region's output, as well as provide greater opportunities to create jobs. This can have an impact on the increase in income for workers, thanks to the increase in productivity. In addition, strong economic growth can also encourage investment in various sectors, which in turn will create demand for labor and contribute to the reduction of unemployment.

The results of this study are in line with the research of Wirawan & Arka (2015) in the study interprets that if the GDP per capita increases, the number of poor people will decrease. The research by Susanti & Sartiyah (2019) is also in line with the results of this study, which also found that GRDP had an effect on reducing the number of poor people in Riau Islands province. However, this study is not in

line with the research of Andhykha et al (2018)that GRDP has a positive and significant influence on poverty levels in Central Java province.

2. The Effect of Health Expenditure on Regency/City Poverty in South Sumatra Province

Based on the results showed that the variable health expenditure coefficient value of 0.042235 with a probability value of 0.4708>0.05. This shows that the variable health expenditure has no effect on poverty in districts/cities in South Sumatra province from 2015-2021. This means that health spending increased by Rp.1 billion then poverty will increase by 0.042235 percent.

The results of this study are in line with the research of Misdawita & Sari (2013) the results show that government spending on health has a large and positive effect on poverty levels, which indicates that more government spending on health during the study period 2001-2012 will increase the total poor population in Indonesia. This study is not in line with the research of Palenewen et al (2018) that health expenditure achieves significant and negative results, so it can be decided that health expenditure can alleviate poverty in North Sulawesi province.

3. The Effect of Social Protection Expenditure on Regency/City Poverty in South Sumatra Province

Based on the results showed that the variable social protection expenditure coefficient value of 0.075140 with a probability value of 0.3776>0.05. This shows that social protection expenditure variables have a positive but insignificant effect on poverty in districts/cities in South Sumatra province from 2015-2021. This means that social protection spending increased by Rp.1 billion then reduce poverty by 0.075140 percent.

The results of this study are in line with research conducted by Rarun et al., (2018) and Sihombing et al (2022) that social protection spending has a significant negative effect, which means it will reduce the percentage of poverty in Indonesia. However, the results of this study contradict the direction of Septriani (2023) research, where social protection spending has no effect on poverty alleviation in districts/cities in Bengkulu province.

4. The Effect of Human Development Index on Regency/City Poverty in South Sumatra Province.

The results showed that the Human Development Index variables found a coefficient value of -0.291919

with a probability value of 0.0000<0.05. This shows that the human development index variable has a significant negative effect on poverty in districts/cities in South Sumatra province from 2015-2021. This means that increasing the Human Development Index every 1 year will reduce the poverty rate by 0.291919 percent.

The Human Development Index (HDI) consists of three main dimensions, namely health, education, and decent living standards. These three dimensions are the main determinants of the quality of human life. Health becomes an important prerequisite in increasing productivity, since a good state of health facilitates educational attainment. The capacity of individuals to absorb contemporary technology and to foster growth and development is significantly enhanced through education. In this situation, economic development initiatives that help fight poverty include key elements such as health and education. Opportunities to earn higher salaries become more accessible with adequate health and education.

The government continuously seeks to increase the Human Development Index to improve the quality of life of the community and address the problem of poverty. Based on the findings of this study, an increase in the Human Development Index can be linked to a decrease in the level of poverty. The increase in the Human Development Index reflects an increase in the productivity of people's work, which ultimately has the effect of increasing income sufficient to meet minimal needs in order to achieve a decent standard of living and can alleviate poverty levels.

The results of this study in line with the research of Prasetyoningrum & Sukmawati (2018) in the study indicate that HDI has a significant negative influence on poverty levels, so it can be said that HDI values tend to reduce poverty levels in Indonesia. However, this study is not in line with the research of Arifin & Hendriyani, (2022) that HDI has a positive relationship with poverty levels.

CONCLUSION

With the results of this study, the future increase in GDP should be offset by equitable development-oriented income distribution. It is expected that the government can further move the economic sector so that it can open jobs. In addition, to improve HDI, the government can improve public services in order to provide basic capacity for the community, especially for the poor.

RESEARCH LIMITATIONS

The research data used is still limited, and only consists of 5 variables, while there are still other variables that can affect the level of poverty and the year studied is still relatively short.

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