

Article

The Effect of Government Expenditure on Education and Health Sectors on Poverty Rate (Study at Kuningan Regency, West Java)

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Abstract: Poverty is the main problem included in the agenda of the national development design. In 2022, Kuningan regency has the highest poverty rate among other regions in West Java. The study aims to determine the influence of government expenditure on education and health sectors on the poverty rate in Kuningan regency for the year of 2019-2022. This research describes the effect of government programs such as National Health Insurance (JKN) and Program Indonesia Pintar (PIP) on poverty rate in Kuningan regency, West Java. This research employed quantitative approach and multiple linear regression analysis using SPSS 25 software. The research used secondary data sourced from the Social Service, Education Office, and Health Office of Kuningan regency, West Java province. The results of this study show that the government expenditure on the education and health sectors has a negative and significant effect on the poverty rate in 32 sub-districts of Kuningan regency.

Keywords: Poverty, Government Expenditure, Education Sector, Health Sector.

1. Introduction

Poverty is defined as the inability of a person or group to meet basic needs such as food, clothing, shelter, education, and health. In other words, poverty is a fundamental problem that has always been accompanied in the history of development in the world, especially in developing countries. The United Nations (UN) pledged a sustainable development agenda contained a global commitment to better prosper the world community through poverty alleviation. The UN also commits to eradicate extreme poverty for all people by 2030 since this is an important goal of the 2030 Agenda for Sustainable Development. As a member of UN, Indonesia also set the same goal to reduce poverty. Indonesia is a developing country with an area of 1,916,862.20 km² and consisting of 34 provinces with 16,056 islands (Indonesian Central Bureau of Statistics, 2021). The data from the World Bank (2024) shows that 1,9% of Indonesian population are suffering from extreme poverty. The current extreme poverty line is set at \$2.15 a day in 2017 Purchasing Power Parity (PPP) terms. Regarding poverty alleviation, the Indonesian government continues to strive through programs implemented by both central and local governments. The importance of overcoming the problem of poverty is a concern for the successful development of a country.

Poverty is the main problem in the agenda of the national development in Indonesia since poverty is a very complex and multidimensional problem (Multifiah, 2011). Multifiah (2011) also explains that impoverishment occurs due to the accumulation of various issues and involves many aspects. From the social aspect, it mainly concerns the limitations of social interaction and flexibility in accessing information. Some of the aspects that cause poverty from the economic aspect that arises is limited ownership of production, small wages, and low bargaining power. The psychological aspect of poverty relates to a lack of

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confidence and isolation in society. While from a political perspective, poverty is associated with the lack of access to various facilities and opportunities and a weak position in the decision-making process.

The Indonesian National Development Planning Agency or Badan Perencanaan Pembangunan Nasional (BAPPENAS) defines poverty as a condition where an individual or group cannot develop a dignified life (BAPPENAS, 2018). Through the National Development Planning Agency, the Indonesian government launched the National Strategy for Access to Justice and this strategy has three basic assumptions in the strategy of guaranteeing human rights, namely: 1) Poverty is a problem hindering the fulfillment of fundamental rights and dignified life; 2) Poverty is not only a matter of ability in the economy and 3) Good environmental well-being and sustainability can only be achieved if there is access to justice for all citizens. The same thing was conveyed through the official publication of the Ministry of Finance from the Directorate General of Treasury to ensure the continuity of government programs in efforts to realize access to justice for all Indonesians. In this case a state budget is a fiscal tool, one of which is providing a distribution function of state budget (APBN), trying to level development and ensure that all citizens receive the benefits. Economic development and growth must be implemented sustainably and inclusively to contribute significantly to alleviating poverty and equalizing development. Based on the Law No. 24 of 2004, poverty is a socioeconomic condition of a person or group that does not fulfill their fundamental rights to maintain and develop a dignified life. In another view, Indonesian Central Bureau of Statistics (BPS) poverty is the inability from the economic side to meet the basic needs of food and not food as measured in terms of expenditure. Directorate General of Treasury or Direktorat Jenderal Perbendaharaan (2022) stated a population is categorized as poor if it has an average per capita expenditure per month below the poverty line. Poverty, in a simple sense, is understood as a lack of money and goods to ensure life survival. Meanwhile, in a broad sense, poverty is defined as a multidimensional phenomenon. The definition of poverty is then reviewed and expanded based on the problems of poverty and the factors that subsequently lead to becoming poor.

According to the World Bank (2024), poverty is a deprivation of well-being. In other words, people who are not prosperous can be classified as poverty. According to the Indonesian Central Bureau of Statistics poverty can be seen from the Food Poverty Line and the Non-Food Poverty Line, which are then conceptualized that poverty can be seen from the fulfillment of drinks and food. At the same time, poverty can be measured from the fulfillment of clothing, shelter, health, and education as well. Therefore, it is said that poverty occurs where people are not prosperous and their well-being can be measured by food, drink, clothing, shelter, health, and education.

The other relevant theory is the vicious cycle of poverty by Nurkse (1953). Nurkse (1953) describes the vicious cycle of poverty because of low investment, low saving, lack of capital, low income, and low productivity. Low productivity causes people's income to decrease so that the share of savings and investments is reduced and affect to low capital. Low capital will lead to market imperfections and backwardness. It continues to move in a circle with no end or base. The theory suggests that poverty has no end and its base where all the elements that cause poverty will be interconnected.

According to Lister (2021), poverty is the biggest problem in the world as the government focuses on reducing the poverty rate. A person is categorized as poor if an individual or group cannot meet the needs of basic aspects such as clothing, food, and shelter. This is characterized by the low-income capacity that will cause new problems such as malnutrition in food, uninhabitable housing, and inadequate education. Poverty is the inability to participate in society, involving a low income and a low standard of living. In addition, poverty is also caused by income distribution inequality. High-income distribution inequality will result in an income gap, there will be people with high and

even very high incomes but not a few with low incomes. Therefore, poverty is considered as a form of development problem caused by the negative impact of economic growth that is not balanced and thus widen the income gap between communities as well as the inter-region income gap (Harahap, 2006).

The poverty alleviation strategy proposed by the World Bank (2024) is that every decade the poverty alleviation strategy has developed, ranges from job creation, income generation, health and education development, and protection to the empowerment of the poverty. The Poverty Alleviation Strategy implemented by the Government can be divided into two major parts: protecting families and groups of people experiencing temporary poverty and helping people experiencing extreme poverty by empowering and preventing new poverty from occurring. The strategy is further outlined in three programs that are directly directed at the poor, namely: (1) the provision of basic needs; 2) the development of a social security system; and 3) the development of business culture (Yulianto, 2021).

Indonesian Central Bureau of Statistics or Badan Pusat Statistik (BPS) measures the poverty rate based on the ability to meet basic needs. The following figure shows the number of poor people in Indonesia during 2019-2022.

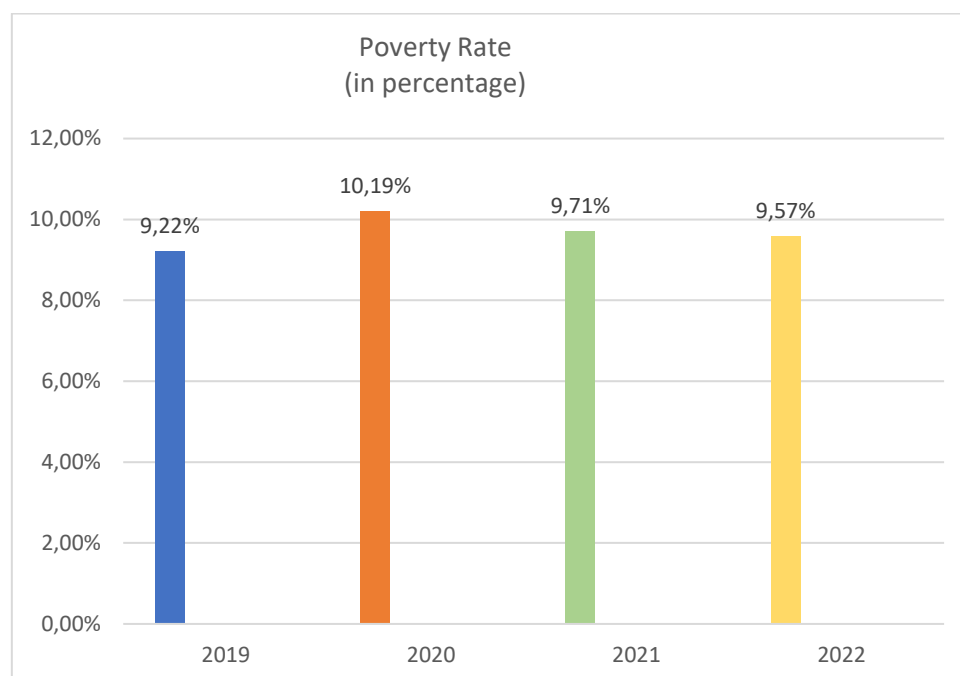


Figure 1. Poverty Rate in Indonesia 2019-2022

Figure 1 shows fluctuations in the number of poor people in Indonesia from 2019 to 2022. Since 2019, the percentage of poor people nationally has increased by 9.22%. Then in the following year, 2020, it showed an increase in poor people by 10.19%. Based on the report from the Fiscal Policy Agency report with UNICEF's publication in 2020, the COVID-19 pandemic was the main factor in the increase in the number of poor people by 0.97%. The fast response from the government in dealing with the crisis due to COVID-19 through social protection programs in the social sector, such as the Family Hope Program or Program Keluarga Harapan (PKH) in the form of direct cash assistance or Bantuan Langsung Tunai (BLT), non-cash food assistance or Bantuan Pangan Non Tunai (BPNT), smart Indonesia program or Program Indonesia Pintar (PIP) in the education sector and National Health Insurance or Jaminan Kesehatan Nasional (JKN) in health sectors and also other aid is implemented to alleviate the poverty rate by opening access for poor families to take advantage of health and education service facilities. In 2021 there was a decrease of 0.48% from the number of poor people to 9.71%. In 2022, the percentage of poor people in

Indonesia decreased by 0.14% compared to 2021. This case indicates an improvement in the quality of life and an increase in the economic level of the community.

In handling the COVID-19 pandemic and national economic recovery, the government ensures the availability of the budget while maintaining the health and financial sustainability of the country. The government also stipulates changes to the Posture and Details of the State Budget for the fiscal year 2020, which include: i) the State Revenue Budget; ii) the State Budget; iii) Budget surplus/deficit; and iv) Budget Financing. Changes in Posture and Rician of the 2020 State Budget are stipulated by Presidential Regulation of the Republic of Indonesia Number 54 of 2020. The State Revenue Budget, estimated initially at IDR 2,233 trillion, changed to IDR 1,760 trillion. This State Revenue Budget consists of Tax Revenues of Rp1,462 trillion, Non-Tax State Revenues of Rp297.75 trillion, and Grant Receipts of Rp498.74 billion (Ministry of Finance, 2020).

However, the decline in poverty nationally does not indicate that all regions have also been at a low percentage of poverty. The poverty rate varies from one region to the other areas due to the policies and resource potential. Indonesia's policy development has transformed from a centralized system to decentralization. Law No. 32 of 2004 describes where autonomous regional governments have the policy right to regulate and take care of the interests of local communities according to their initiatives based on community aspirations. Implementing this decentralized system causes new challenges for local governments in managing the potential resources available until they can meet regional aspirations and reduce fiscal inequality with other regions.

The Indonesian central and local governments have carried out a series of poverty alleviation programs through ministries and government agencies in each sector. Based on the budget review from the Representative Council, several programs that have been implemented based on the state government financial memorandum (APBN) are Program Keluarga Harapan (PKH) for 10 million KPM, Program Indonesia Pintar (PIP) for 20.2 million students and 650.6 thousand students, and the JKN PBI Contribution Assistance for 96.8 million people and social protection program support are provided through transfers to regions through Direct Cash Assistance (BLT) Village Funds to 7.55 million families in rural areas (Ministry of Finance, 2022).

Fiscal decentralization can affect poverty by affecting the composition of public budgets or expenditures. Moreover, fiscal decentralization achieves a more efficient allocation of public service provisions. Public resources can be transferred to the poor through income redistribution programs, increasing their disposable income. Pro-poor budget firstly is a budget directed to developing policies that favor the poor, and secondly, the practice of drafting and formulating policies in the field of budgets that are by design aimed at making policies, programs, and projects that favor the interests of the poor. Third, budget policies whose impact can improve the welfare and or fulfillment of the fundamental rights needs of the poor. Some public expenditures are naturally pro-poor and therefore help alleviate poverty.

Government expenditure is the use of government funds through administration and other parts of development activities. Government expenditure is one of the instruments of fiscal policy that functions as an adjustment in government revenue and expenditure. Government expenditure reflects the costs that must be incurred by the government every year. Meanwhile, the fiscal policy generally describes the government's choices in determining the amount of expenditure and state revenue, which is ultimately used to influence the level of the national economy, which is then described in a state financial structure commonly known as the state budget. In determining its expenditure, the government has the posture of the state budget itself. Based on economic and financial studies, the Ministry of Finance (2022) defines the state budget posture as "a form of government financial plan prepared based on applicable rules to achieve state goals."

Through the state budget posture, the public can assess the development of fiscal policy performance, financial condition, fiscal sustainability, and government accountability.

Apriansyah and Bachri (2006) state that there are four roles of government in allocating resources to develop the economy. The first role is an allocative role which is the role of the government in allocating existing economic resources utilization optimally to support production efficiency. The second role is a role of distributive which is the role of government in distributing resources, opportunities and economic to become fairly and reasonably to all of its people. The third role of government is a role of stabilization in which the government maintains economic stability. The last role is a dynamic role in which the government drives the process of economic development to grow faster, develop and advance. In short, government expenditure is significant in capital formation through government expenditure in various fields such as facility construction and infrastructure, which are needed to create and facilitate economic growth.

According to Aladejare (2013), Rostow-Musgrave model stipulates that at the early stages of economic development, the rate of growth of public expenditure will be very high, since the government needs to provide the basic infrastructural facilities to the people and most of these projects are capital intensive, hence, the government expenditure will increase steadily. The investment in education, health, roads, electricity, and water supply are among the necessities that can transform the economy from the traditional stage to the take off stage of economic development (Aladejare, 2013). When the economy is growing, poverty can be reduced or eradicated. A study by Widyastuti and Nusantara (2022) found that economic growth has a significant and positive effect on poverty reduction in Indonesia.

In order to grow, develop and alleviate poverty, Indonesian government must pay close attention to its human resources. According to Anantika and Sasana (2021) one way to measure the quality of human capital in a country is by using the Human Development Index. The Human Development Index is a measure used to reflect the condition of a country compared to the condition of other countries in terms of the level of community welfare. The sectors measured in the Human Development Index include life expectancy as a measure of health quality, average school participation as a measure of education quality, and gross national income as a measure of the economic condition of the community (Anantika & Sasana, 2021). Therefore, the problem of human development must be resolved comprehensively because low human capital quality can hinder economic growth. Based on the Human Development Index, health and education are two critical sectors to enhance economy. Education is a concept of learning both formally (in school education) and informally (religious or community education), which aims to construct knowledge and critical awareness for the community to enable them to break the chain of poverty (Parihala & Samson, 2019). Building a decent and thriving life is to achieve equality in the quality of life. The Indonesia Law No. 31 year 1945 states the following; (1) Every citizen has the right to education. (2) Every citizen is obliged to attend basic education and the government is obliged to fund it. Supported by detail proportion for government expenditure on education sector by the Law No. 20 year 2003 concerning the National Education System, Indonesian government has a portion of education budget allocation at least 20% of the State Budget (APBN), excluding salaries and official education costs. Parihala and Samson (2019) assert that a high and adequate level of education is needed to ensure the running of social functions, which allows people to interact and compete for jobs. The level of education may indicate that the higher the education a person completes, the higher the competence and expertise he has, therefore the greater the chances of being able to enter the world of work, and it will be easy to create jobs. Vicious cycle of poverty theory also supports it; in this case productivity will increase people's income, increase share of saving and investment to alleviate poverty rate and free from poverty with increasing productivity.

This study aims to investigate the influence of government expenditure on education and health sectors on poverty rate in Kuningan regency, West Java during the period of 2019 to 2022. According to Kuningan regency local government (2024) poverty rate in Kuningan reaches 12,12 percent and unemployment rate is 9,49 percent, and these numbers are higher than average number is West Java province and in Indonesia. In March 2024, Indonesian poverty rate is 9,03 percent and as of February 2024, Indonesian unemployment rate is 4,8 percent (Cabinet Secretariat of Republic Indonesia, 2024). According to West Java provincial government (2024) the poverty rate in West Jawa as of March 2024 is 7,46 percent and unemployment rate as of February 2024 is 6,91%.

Human resources in any nations are one of the factors that determine the economic and social development of the government. For this reason, formal education is an absolute necessity for a society country must provide. Government expenditure allocation is mandatory spending in the financial governance of the central and local governments, that will alleviate the problem of inequality in education sector and improve the quality of human resources to facilitate the poverty level of a region. Allign with government expenditure theory that government expenditure is one of the instruments of fiscal policy with the functions as an adjustment in government revenue and expenditure to achieve better economic stability and economic development. Therefore, the relationship between government spending in the education sector and poverty is interrelated, where the entire community can access the role of the government as a provider of adequate educational facilities. The literature shows that government spending on health and education do not affect poverty rate (Fithri & Kaluge, 2017). However, other studies found positive and significant effect of government spending on health and education sectors in reducing poverty rate (Sari & Nurdin, 2018; Hidayat & Azhar, 2022; and Wahyudi, 2023). Based on the theory and previous studies, the first hypothesis can be formulated as follows:

H1: Government expenditure on education sector has a negative effect on poverty rate.

Increasing poverty occurs when households cannot meet basic needs to survive. Align with poverty theory that living in extreme poverty makes the population suffer from chronic hunger, unable to access health services, not having the means of providing sanitation and healthy drinking water, not having a decent place to live, and always lacking primary needs (Sastra, 2017). The wide gap eliminates the ability of poor people to stay healthy and accumulate physical and human capital. To overcome the problem of uneven access to health obtained by the community, the government issued a fiscal policy in the form of government spending on the health sector, supports with theory of fiscal that Fiscal tool can affect poverty by affecting the composition of public budgets or expenditures intending to overcome the problem of inequality in access to health.

WHO (2019) asserts that in bridging global commitments with country action to achieve universal health coverage, all people should receive the quality services they need and are protected from health threats without suffering financial hardship. It includes the full range of essential health services, from health promotion to prevention, treatment, rehabilitation, and palliative care (WHO, 2019). Furthermore, the government must guarantee the right to health by providing quality, adequate, affordable, and quality health services for the entire community equally. If health services for the people, especially the poor, become increasingly unaffordable, then poverty will continue to increase. This is because the poor who are sick and unable to seek treatment due to low health services and the lack of knowledge from the patient concerned to avoid the disease will automatically not be able to meet the basic needs of themselves and their family.

Previous studies have addressed the importance of government expenditure on health sectors in alleviating poverty, however, the results are still mixed. Fithri and Kaluge (2017) and Hidayat and Azhar (2022) found that there is no relationship between government expenditure on health sectors and poverty. On the contrary, Kinanti (2018),

Pangke et al. (2019), Aini (2020) and Lister (2021) found that government spending on health sectors is critical to reduce poverty. Lister (2021) strongly argues that when poverty occurs in long-term or persistent, it is likely will have negative impacts on health, education and general life chances. Therefore, government supports are paramount in eradicating poverty and provide better life to the society.

Based on this explanation, the second hypothesis can be developed as follows: H2: Government expenditure on health sector has a negative effect on poverty rate.

2. Materials and Methods

This research uses quantitative method in identifying, selecting, processing, and analyzing research problems. This research explains the relationship between variables that affect the poverty rate of 32 sub-districts in Kuningan regency, West Java province, Indonesia. In this study, the population of all districts in Kuningan regency was 32 sub-districts, namely Ciawigebang, Cibereum, Cibingbin, Cidahu, Cigandamekar, Cigugur, Cilebak, Cilimus, Cimahi, Ciniru, Cipicung, Ciwaru, Darma, Garawangi, Hantara, Jalaksana, Jepara, Kadugede, Kalimanggis, Karangkencana, Kramatmulya, Kuningan, Lebakwangi, Luragung, Maleber, Mandirancan, Nusaherang, Pancalang, Pasawahan, Selajambe, Sindangagung, and Subang

This study uses secondary data from 2019 to 2022 obtained from government official publications or institutions, such as budget management data per sub-district, which are directly related to agencies of the Social Service who provide poverty rate data in percentage for the 32 sub-districts at Kuningan regency, West Java province. Health services (DINKES) Kuningan regency provide government expenditure data on 32 sub-districts of funds to public health centers (PUSKESMAS) from National Health Insurance (JKN) program, and education services (DISDIK) Kuningan regency provide government expenditure data on 32 sub-districts from Program Indonesia Pintar (PIP) that consist of data from every level of school such as elementary school, junior high school, and senior high school at Kuningan regency. This study uses data from the period 2019-2022.

The dependent variable of this research is poverty. The poverty data used is from Social Services for the period of 2019 to 2022 in Kuningan regency, West Java province. The first independent variable is government expenditures on education sector and the second independent variable is government expenditures on health sector. The government expenditure was obtained from the state budget or Anggaran Pendapatan dan Belanja Negara for Program Indonesia Pintar (PIP). According to the Ministry of Education, PIP is an assistance in the form of cash for the expansion of access and learning opportunities from the government given to students from poor or vulnerable families to finance education from elementary school, junior high school, and senior high school levels. The data used in this study is the PIP budget for each school in the 32 sub-districts in Kuningan regency, West Java province.

For the government expenditure on health sector the data used was obtained from the state budget for the National Health Insurance program or Jaminan Kesehatan Nasional (JKN). JKN program is an Indonesian government program that aims to provide health protection to all Indonesians. The category of JKN participants consists of Contribution Assistance Recipients or Penerima Bantuan Iuran (PBI). PBI participants are poor people with low income and receive government assistance. In this program, JKN contributions are paid by the government through the state budget (APBN) to ensure that poor people can also get access to quality health services. This study used data from health service or Dinas Kesehatan (DINKES) through community health centers or Pusat Kesehatan Masyarakat (PUSKESMAS) for each community that received PBI assistance in 32 sub-districts in Kuningan regency. To analyse the data this study, descriptive statistics

and multiple regression analysis were performed using SPSS version 25. Before conducting the multiple regression analysis, classical assumption tests were also conducted.

3. Results

Table 1 below demonstrates the descriptive statistics results.

Table 1.
Descriptive Statistics

	N	Minimum	Maximum	Mean	Std. Deviation
Education sector (X1)	128	227832500	5.95E+9	1.4505E+9	1.0192E+9
Health sector (X2)	128	310387740	3.70E+9	1.4060E+9	839340792
Y	128	.08	.20	.1295	.02984
Valid N (listwise)	128				

Normality test was conducted using Kolmogorov-Smirnov test. The results show significance (2-tailed) value of 0.200. Since the sig value is higher than 0.05, thus the data of this study is normally distributed. For multicollinearity test, the results show a VIF value of 2,620 (higher than 10) and a tolerance value of 0.382 (less than 0.10). Thus, based on the test decision criteria, it can be concluded that the multiple regression model of this study is free from multicollinearity. The heteroscedasticity test was conducted using scatterplot. Based on the scatterplot, it is known that the residual data points of the regression model of this study spread irregularly above and below zero, and the spread of data points does not form a specific pattern. In other words, the regression model of this study does not experience symptoms of heteroscedasticity. The autocorrelation test was also carried out to detect a correlation between the residual in period t1 and the previous period t-1. The autocorrelation test was conducted using Durbin-Watson's cut-off value. A Durbin-Watson statistics value that lies in the range 1.5-2.5 is considered normal and it can be assumed that there are no autocorrelation symptoms in the residual of the regression model. The results show that the Durbin-Watson value of the regression model of this study is 1.155, hence, there is no autocorrelation found in the residual from the regression model of this study.

Furthermore, a multiple linear analysis was carried out to determine the effect of government expenditure on education and health sectors on poverty rate in 32 sub-districts from 2019 to 2022 in Kuningan regency, West Java province. The regression equation can be seen from Table 2 below. Based on the output, the value of the regression constant is 0.162, with the regression coefficient of the Education sector variable (X1) is $-1,533 \times 10^{(-11)}$ and Health sector (X2) is $-7,302 \times 10^{(-12)}$, Thus the regression equation is as follows:

$$\text{Poverty Rate (Y)} = 0,162 - 1,533 \times 10^{(-11)} X_1 - 7,302 \times 10^{(-12)} X_2$$

Table 2 demonstrates that the government spending on education (X1) has a significant and negative value. It means that the government spending on education sector has a significant and negative effect on the poverty rate in Kuningan regency, West Java province. Hence, it can be concluded that H1 of this study is supported by the data. Furthermore, the government spending on health sector has a significant and negative value. It means that the government spending on health sector has a significant and negative effect on the poverty rate in Kuningan regency, West Java province. Therefore, it can be concluded that H2 of this study is also supported by the data.

Table 2.
Coefficients^a

Model	Unstandardised Coefficients		Standardised Coefficients Beta	t	Sig.
	B	Std. Error			
(Constant)	.162	.004		44.042	.000
Education	-1.533E-11	.000	-.529	-5.145	.000
Health	-7.302E-12	.000	-.208	-2.018	.046

The F test is also employed in this study to test the influence of the research-independent variable with the test decision criterion. The results of the F test are presented in Table 3. Table 3 shows significance value of 0.000 and it is less than significance level of 0.05. Therefore, it can be concluded that the regression model of this study is suitable for use and fits the data.

Table 3
ANOVA^a

Model	Sum of Squares	df	Mean Square	F	Sig.
Regression	.055	2	.027	61.409	.000 ^b
Residual	.056	125	.000		
Total	.111	127			

Dependent variable: Poverty Rate

Predictors: (Constant), Health, Education

The results of coefficient determination test are shown in Table 4. Table 4 shows that the adjusted R-square value of 0.488. This result indicates that 48.8% change in poverty rate is influenced by the change of government spending on education and health sectors. Furthermore, the remaining 51.2% can be explained by other variables that are not investigated in this study.

Table 4
Model Summary^b

Model	R	R Square	Adjusted R Square	Std. the error of the estimate	Durbin-Watson
1	.704 ^a	.496	.488	.02114152	1.155

Predictors: (Constant), Health, Education

Dependent Variable: Poverty Rate

4. Discussion

The results of this study show that the government expenditure in the education sector affected to the poverty rate in 32 Sub-districts at Kuningan regency (Ciawigebang, Cibereum, Cibingbin, Cidahu, Cigandamekar, Cigugur, Cilebak, Cilimus, Cimahi, Ciniru, Cipicung, Ciwaru, Darma, Garawangi, Hantara, Jalaksana, Jepara, Kadugede, Kalimanggis, Karangancana, Kramatmulya, Kuningan, Lebakwangi, Luragung, Maleber, Mandirancan, Nusaherang, Pancalang, Pasawahan, Selajambe, Sindangagung, and Subang) year period 2019-2022.

The data analysis shows that government expenditure in education sector has a significant and negative effect on the poverty rate in Kuningan regency, West Java. This

finding is consistent with Rostow and Musgrave model that stipulates that in the process of economic development, the role of government will shift from providing infrastructure to spending on social programs in order to achieve welfare for the community (Anantika & Sasana, 2021). Although the finding of this study is different from Fithri and Kaluge (2017), the finding of this study is consistent with Sari and Nurdin (2018), Hidayat and Azhar (2022) and also Wahyudi (2023) who found that government expenditure on education sector can reduce poverty through improving the quality of life in public sectors such as the education and health sector. The difference in results between this study and the study by Fithri and Kaluge (2017) may be due to differences in data used. This study used the State Budget (APBN) allocation for Smart Indonesia Program or Program Indonesia Pintar (PIP) in Kuningan regency, West Java province to represent government expenditure in education sector while Fithri and Kaluge (2017) did not specify which education sector funding is investigated.

Human resources, the central theme in every development achievement program, will be very important if the government has a program that can target the improvement of human resource quality standards in Indonesia. The result of this study regarding the negative effect of government spending on education sector is relevant with Sharpe and Swanson (2016) who assert that inequality of human resource development caused by the level of education. Based on the Indonesian Law Number 20 of 2003 concerning the National Education System, the Indonesian government has a portion of the education budget allocation of at least 20 percent of the State Budget, excluding educator salaries and official education cost. Emphasizing the government's policy of increasing attention to education will help improve the quality of education, which is the value of investing in quality human resources and being able to have competitiveness in the environment.

Regulation of the Minister of Finance of the Republic of Indonesia No. 102/PMK.02/2018 concerning the classification of budgets sourced from the state budget (APBN) is divided into state revenue budgets, state budgets, and budget financing. Expenditure budgets play an important role in supporting the government system mechanisms and efforts to increase efficiency and productivity, which will support achieving goals and objectives at each stage of development. In this study the role of the government is needed to improve the quality of human resources through the education sector, especially for people classified as poor.

The results of this study show that the variable government expenditure in the health sector has a negative and significant effect on the poverty rate in 32 sub-districts at Kuningan regency, West Java for the period of 2019-2022. It can be interpreted that any increases in government spending in the health sector reduce the poverty rate in the sub-district of Kuningan. The negative effect of government expenditure on health sector is consistent with Rostow-Musgrave model that asserts that government expenditure provides the provision of social services such as health sector to increase economic development process and thus, alleviate poverty.

Previous research from Indonesia have also shown that government expenditure on health sector has a negative and significant effect on poverty. This result is different from Fithri and Kaluge (2017) and Hidayat and Azhar (2022) who found that government expenditures on health does not influence poverty rates. Fithri and Kaluge (2017) who conducted their study in East Java province, and Hidayat and Azhar (2022) who investigated government spending and poverty rate in Indonesia, did not explain in details regarding which health sector spending is used in their analysis. Meanwhile, this study specifies that government expenditure on health sector is measured by the State Budget (APBN) allocated for the National Health Insurance or Jaminan Kesehatan Nasional (JKN) in 32 districts of Kuningan Regency, West Java province. Furthermore, it can be argued the reason why government expenditure for health sector does not have an impact on poverty rate in other parts of Indonesia may be caused by the expenditure implementation that not

in accordance with the targets of the program that has been designed to reduce poverty rate.

The result of this study is consistent with previous studies by Kinanti (2018), Pangke et al. (2019), Aini (2020) and Lister (2021). According to Kinanti (2018), government expenditure reflects government policy. The budget expenditure for the benefit of the community in the health sector is each community's right to equal opportunities in health services and access. Therefore, the government has several effective programs for poverty alleviation, namely the Indonesian Conditional Cash Transfer Programme in the form of direct cash assistance or Bantuan Langsung Tunai and also basic food cards or Bantuan Pangan Non Tunai as non-cash assistance. Program Indonesia Pintar (PIP) in the education sector and National Health Insurance (JKN) in health sectors and other aid are implemented to alleviate poverty by opening access for poor families to take advantage of health and education service facilities. The purpose of health financing carried out by the government is to provide sustainable health financing with enough amount, allocated fairly, and utilized successfully to ensure the implementation of health development to improve public health standards as high as possible.

Meanwhile, Pangke et al. (2019) argue that government expenditure in the health sector effectively provides a good health services that is demonstrated by evenly distributed public health units equipped with decent facilities and reliable medical personnel. Furthermore, with facilities and easy access to health services, people will tend to treatment, so their health level is maintained. Moreover, according to Lister (2021), poverty is the inability to participate in society, involving both a low income and a low standard of living. The role of the government in funding health programs for the community, especially the poor, is important to improve the quality of health. This aligns with the sustainable development goals that are inclusive and equitable for all walks of life.

5. Conclusion

This study aims to determine the effect of government expenditure on the education sector represented by the State Budget (APBN) for Program Indonesia Pintar, and government expenditure on the health sector represented by the State Budget (APBN) for Jaminan Kesehatan Nasional on poverty rate of 32 districts in Kuningan regency, West Java province. The results of the study show that government expenditures in the education and health sector have negative and significant effects on the poverty rate. Based on the results of this study, the Indonesian government is recommended to continue to pay close attention to the expenditures on education and health programs and monitor the program implementation by the local governments while still paying attention to the proportion of budgets and targets for poverty alleviation in the regions. Nonetheless, this study has several limitations. This study only took one population area in West Java province, which is Kuningan regency. Future study may wish to expand the research population to other area in Indonesia as well. This study only chose one program from each sector which are Program Indonesia Pintar (PIP) and Jaminan Kesehatan Nasional (JKN). Next study can add other poverty alleviation programs funded by the government expenditure such as Bantuan Langsung Tunai, Program Keluarga Harapan, Bantuan Pangan Non Tunai, Kredit Usaha Rakyat, and Padat Karya Tunai.

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