

The Effectiveness of the State Budget in Poverty Alleviation in Indonesia: A Comparative Study of Government Regimes 1990-2024

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ABSTRACT

*This study aims to analyze the effectiveness of budget use (APBN), foreign debt and differences in government regimes in poverty alleviation in Indonesia. The research method used is quantitative analysis of multiple regression with dummy variables. The results of the study indicate: simultaneously, the amount of APBN, Foreign Debt, Inflation and differences in government regimes have a positive impact on poverty alleviation efforts in Indonesia. Partially, the APBN variable (at α 5%) has a significant effect on efforts to reduce poverty rates. Foreign debt, inflation, Era1, Era2, Era3, Era4, and Era5 have no significant effect on poverty rates. If the standard error is increased (up to α 30%), then Era4 and Era5 also have a significant effect on poverty rates with negative coefficient values. While the inflation and Era1 variables are positively correlated with poverty rates. The statistically valid econometric model is as follows: $\%POOR = 0.180713842147 - 0.000021076*APBN - 0.02057*ERA4 - 0.0301788*ERA5$*

Keywords: APBN Effectiveness, Indonesian Government Regime, Foreign Debt

ABSTRAK

Penelitian ini bertujuan untuk menganalisis efektivitas penggunaan anggaran (APBN), utang luar negeri dan perbedaan rezim pemerintahan dalam pengentasan kemiskinan di Indonesia. Metode penelitian yang digunakan adalah analisis kuantitatif regresi berganda dengan *dummy* variabel. Hasil penelitian menunjukkan: secara simultan, besaran APBN, Utang Luar Negeri, Inflasi dan perbedaan rezim pemerintahan berdampak positif bagi upaya pengentasan kemiskinan di Indonesia. Secara parsial, variabel APBN (pada α 5%) berpengaruh nyata terhadap upaya penurunan angka kemiskinan. Utang luar negeri, inflasi, Era1, Era2, Era3, Era4, dan Era5 berpengaruh tidak nyata terhadap angka kemiskinan. Jika standar *error* dinaikkan (sampai α 30%), maka Era4 dan Era5 juga berpengaruh nyata terhadap angka kemiskinan dengan nilai koefisien negatif. Sementara variabel inflasi dan Era1 berkorelasi positif terhadap angka kemiskinan. Model ekonometri yang valid secara statistik adalah sebagai berikut: $\%MISKIN = 0.180713842147 - 0,000021076*APBN - 0.02057*ERA4 - 0.0301788*ERA5$

Kata Kunci: Efektivitas APBN, Regim Pemerintahan Indonesia, Utang Luar Negeri

INTRODUCTION

Poverty is a latent problem that is common in developing countries. Indonesia, as one of the developing countries, continues to strive to eradicate poverty from time to time. Starting from the Old Order era (Soekarno's Government), New Order (Soeharto's Government), to the Reformation Era (BJ Habibie, Abdurahman Wahid, Megawati Soekarnoputeri, Soesilo Bambang Yudhoyono, Joko Widodo, and Prabowo Soebianto's Government).

In the era of President Soekarno, poverty alleviation efforts were outlined in the 8-year National Development Plan (Penasbede). The poverty alleviation program in Indonesia has been implemented by the government since the 1960s (Old Order) through a strategy to fulfill the people's basic needs as outlined in the Eight-Year National Development Plan (Penasbede). Based on TAP MPRS No. II/MPRS/1960 concerning the Outlines of the First Stage of the National Development Planned Pattern 1961-1969, the development pattern at that time was more aimed at realizing equitable people's welfare. Development at that time was oriented towards increasing national income which formed the prosperity of the Indonesian people (State Planning Bureau, 1956). Prosperity was realized through various policies that would increase income independently. The fields of education, housing, and health received special attention from the government. Then continued with policies to increase national and family income.

Improving the quality of society in overcoming poverty is the main goal of development. However, in its implementation, development was halted due to the political crisis in 1965. The political crisis at that time actually increased the number of poor people. The failure to overcome poverty was not solely the fault of the government. The world's tendency at that time was on politics, and politics rarely meant building because the point was *power struggle*.

Poverty alleviation began to be seriously considered in the New Order era under the control of the Soeharto government regime. During Period 1974-1988, The five-year development plan (Repelita) implemented by the government, especially Repelita I-IV, is carried out through sectoral and regional programs. Sectoral programs are programs that are oriented towards increasing production and development of facilities and infrastructure that support the fulfillment of basic needs (*basic needs approach*) such as clothing, food, health. While regional programs are for developing the potential and capabilities of human resources, especially in the regions.

Sectoral programs are programs to improve community welfare through achieving development targets from certain sectors. This development is implemented in regions according to their conditions and potential. The cost of this program is budgeted from the State Budget (APBN) and implemented by various agencies and central government institutions. The implementation of this program is

carried out by related sector agencies from the regional office level, directorate general, to ministerial level. Before the sectoral program is implemented, planning is carried out to project sector development targets.

Regional programs are programs that are oriented towards regional interests to harmonize and accelerate regional development. This program is adjusted to the needs of the region and the capabilities of the region. This is intended to improve regional welfare and eliminate poverty in the region which is adjusted to the capabilities of the local community. In this regional program there are several programs implemented, namely: the Presidential Instruction Program, the Self-Funded Integrated Regional Development Program (PPW-Swadana), and the Special Program of the Integrated Regional Development Program (PKT).

Furthermore, in the 1988-1998 period, namely in Repelita V-VI, the government implemented a poverty alleviation program with a special strategy to resolve the problem of socio-economic disparities. The development path was taken specifically and synergized sectoral and regional programs in the coordination of Presidential Instruction Number 3 of 1993 concerning Increasing Poverty Alleviation which was finally realized through the IDT (Presidential Instruction on Underdeveloped Villages) program and several other programs.

During the Soeharto Era, poverty alleviation efforts were outlined in Repelita I-IV through Sectoral & Regional programs; then Repelita IV-V through the Underdeveloped Village Presidential Instruction program; Prosperous Family Development Program; Social Welfare Program; Prosperous Family Savings; Prosperous Family Business Credit; and Farming Business Credit.

In the Habibie Era (transition of the Reform Order), poverty alleviation efforts were carried out through the Social Safety Net; Poverty & Urban Alleviation Program; Supporting Infrastructure Development Program for Underdeveloped Villages; Sub-district Development Program. One of President BJ Habibie's policies was to ratify a Law that encouraged the efficiency of Indonesia's economic activities, although the results were not significant, the population's economic growth which previously reached -7.7% could actually increase to 5% (Dewi 2019). The economic crisis that began with the decline in the exchange rate around July 1997 was the main factor why this Law was drafted, which became the first Law that explicitly or in writing explained the existence of Bank Indonesia as an Independent institution (Murdadi 2012). With this independence, it is hoped that Bank Indonesia will be able to become an institution that maintains monetary stability to encourage sustainable economic development. Another policy is to rotate the national banking restructuring agency or BPPN and the institution tasked with monitoring and resolving Indonesia's foreign debt, other improvements in fiscal and monetary matters continue to be carried out as well as possible. In improving the national economy, President BJ Habibie did several things including recapitalizing banking, reconstructing the existing national economy, liquidating banks that had problems, and increasing the declining rupiah exchange rate (Wijaya and Permatasari 2018).

There was the ratification of the Law on banking, namely the amendment of Law No. 7 of 1992 to Law No. 10 of 1998 (Wijaya and Permatasari 2018). There is also a policy regarding Bank Indonesia where according to President BJ Habibie which is based on Law No. 13 of 1968, BI's task is as an institution that assists the president in implementing monetary policies, so that the governor of Bank Indonesia can be considered as an ex-officio cabinet which also applies to the position of attorney general (Habibie 2006). So that President BJ Habibie drafted and ratified the Law on banking so that the Bank maximizes its existence and duties, namely Law No. 23 of 1999 concerning Bank Indonesia as the Central Bank of the Republic of Indonesia which is an independent institution and free from interference from the government or other parties. This has a good impact because this independence is able to create an increase in the rupiah exchange rate against the US dollar which [Mahilda Saidatul Afiyah] previously decreased drastically. President BJ Habibie also gave freedom to foreign nationals or foreign legal entities to establish general banks with Indonesian citizens or Indonesian legal entities, this is stated in article 22 paragraph (1) letter b (Syam 2010).

In addition, the policy prohibiting monopolies in the national economy by drafting the Monopoly Prohibition Law has created economic conditions that have increased more than before (Dewi 2019). Law No. 5 of 1999 concerning the prohibition of political practices and unfair competition and Law No. 8 of 1999 concerning consumer protection, although not yet maximally showing benefits in the Indonesian economy. This is because the law reduces the personal benefits of a company that is managed independently and reduces authoritarian market management, this certainly benefits the common people who make Habibie more popular than President Soeharto. However, this does not mean that this prohibition is one hundred percent good for President BJ Habibie's leadership, there are still people who consider President BJ Habibie as Soeharto's shadow president which makes it difficult for people to trust him.

The Gusdur era still continued the Social Safety Net; Food Security Credit-Poverty & Urban Reduction Program. In order to overcome poverty, President Abdurrahman Wahid (Gus Dur) implemented various policies, including:

- Increase education
- Repair environment House stay
- Develop culture business poor society
- Increase the salaries of civil servants, TNI and Polri

In one year, the poverty rate in Indonesia fell by 4.29% during Gus Dur's administration. The poverty rate fell from 23.43% in 1999 to 19.14% in 2000.

In addition, in five years, the government of Gus Dur and Megawati Soekarnoputri succeeded in reducing the poverty rate by 6.77%. The poverty rate fell from 23.43% in 1999 to 16.66% in 2004. Other achievements made by Gus Dur were: increasing exports, reducing the burden of state debt, carrying out reforms in the State-Owned Enterprises (BUMN) sector, including PLN.

During President Megawati's era, poverty alleviation efforts were carried out through the establishment of the Poverty Alleviation Committee; and the Urban Poverty Alleviation Program. During her administration, Megawati formed the Poverty Alleviation Committee which aimed to overcome the problem of poverty in Indonesia. Megawati also increased income and reduced the expenditure of poor people in meeting their daily basic needs. Another program that was also popular among the people was the poor people's rice (raskin), which was sold for Rp 1,000 per kilo. Meanwhile, in the health sector, the government issued the Health Card, which was a free health service program for the poor. In the education sector, Megawati allocated funds for the education sector and non-formal education. The government also formed Education for All (PUS), in order to accelerate the nine-year compulsory education in Indonesia. To eradicate corruption, Megawati initiated the establishment of the Anti-Corruption Commission (KPK) and the National Human Rights Commission (HAM).

Meanwhile, the SBY Presidential Era introduced the Establishment of the Poverty Alleviation Coordination Team; Direct Cash Assistance; Sub-district Development Program; Urban Poverty Alleviation Program; National Community Empowerment Program. In addition to the programs above, the National Poverty Alleviation Strategy (SNPK) has also been created which was then integrated into the Medium-Term Development Plan Document (RPJM) for 2004-2009 which was then continued with the National Medium-Term Development Plan (RPJMN) for 2010-2014 in accordance with Presidential Regulation of the Republic of Indonesia Number 5 of 2010.

Various efforts to eradicate poverty have been made by the government which are applied in the form of policies and programs, both direct and indirect. Direct policies are programs that are directly given to the poor, for example; direct cash assistance (BLT), rice for the poor (raskin), while indirect policies are examples of the Jamkesmas program, the IDT program, BOS.

From regime to regime, the number and figures of poverty fluctuate with a downward trend. However, in nominal terms, the figures are still quite large for a country that is almost 10 decades old. The figures can also change depending on which poverty line criteria are used. The phenomenon and expression of poverty are still easily found in almost all areas, both in urban and rural areas. At the same time, the budget for poverty alleviation has increased from regime to regime. The question arises, how effective is the use of the development budget (APBN) in reducing poverty in Indonesia. Do differences in government regimes affect the effectiveness of poverty alleviation in Indonesia?

RESEARCH METHODS

This research uses data secondary Which obtained from Bank Indonesia, Agency Development Planning National (Bappenas), Body Center Statistics (BPS), World Bank, and other reference sources in the form of books, journals and other

publications. Data Which collected in the form of APBN data, debt outside country, data Product Domestic Gross (GDP), data income national per capita data population, data on the number and ratio of poor people, inflation rates and etc. Data the in the form of data *time series* of period 1990 - 2024 .

The collected data is then grouped into dependent variables and independent variables. The dependent variable is the number and ratio of poor people. While the independent variables are nine, namely the amount of budget (APBN), the amount of debt (US\$), the number of residents, the inflation rate, and *the dummy variable* of the budget system regime period (starting from the Soeharto era, BJ Habibie, Abdurrahman Wahid, Megawati Soekarno Puteri, Susilo Bambang Yudhoyono, and Joko Widodo).

The processed data were analyzed quantitatively descriptively with a multiple regression model with dummy variables. The influence of the APBN and debt on poverty reduction can be known by submitting the Econometric Model (POOR) as follows:

$$\text{Poor} = \beta_0 + \beta_1 \text{APBN} + \beta_2 \text{Debt} + \beta_3 \text{Inflation} + \beta_4 \text{GDP} + \beta_5 \text{Era1} + \beta_6 \text{Era2} + \beta_7 \text{Era3} + \varepsilon$$

APBN in state spending value. Poor is a variable of poverty rate (expressed in population or ratio of poor population compared to the population of Indonesia); Debt is an indicator of foreign debt expressed in percentage units. Population is the number of Indonesian people in the current year. Inflation is the annual inflation rate.

To see the comparison of debt management in each era of government, six dummy variables were created, namely; Era1 (comparing the Habibie Era with the Soeharto Era), Era2 (comparing the Abdurrahman Wahid Era with the Soeharto Era); Era3 (comparing the Megawati Era with the Soeharto Era, Era4 comparing the SBY Era with Soeharto, and Era5 comparing the Jokowi Era and the Soeharto Era).

Hypothesis I

H10 APBN, Debt, Inflation have no effect on poverty rates

H11 APBN, Debt, Inflation affect poverty rates

Hypothesis 2

H20 Regime differences have no effect on governance in overcoming poverty

H21 Regime differences influence governance in overcoming poverty

RESULTS AND DISCUSSION

Since independence, the Unitary State of the Republic of Indonesia (NKRI) has experienced eight governments. Starting from Soekarno, Soeharto, BJ Habibie, Abdurrahman Wahid, Megawati Soekarnoputeri, Susilo Bambang Yudhoyono (SBY), Joko Widodo (Jokowi), and Prabowo Soebianto. To note, each Era of Government certainly has a different vision, mission, and priority policies and programs. Likewise, policies on budget management, external debt, and poverty alleviation.

Table 1. Development of the State Budget, Debt, Poverty Rate and Inflation in Indonesia Period 1990-2024

YEAR	DEBT\$	State Budget	%PROVERTY	POVERTY	INFLANATION	ERA
1990	15,942	42.193	19.29%	35	0.08	SOEHARTO
1991	15,052	42,582	16.25%	30	0.0953	SOEHARTO
1992	15,785	48,863	14.49%	27.2	0.0952	SOEHARTO
1993	20,176	56,113	13.57%	25.9	0.0494	SOEHARTO
1994	21.145	66,418	17.53%	34	0.0977	SOEHARTO
1995	22,615	71.34	25.14%	49.5	0.0924	SOEHARTO
1996	24,987	86,278	18.66%	37.3	0.086	SOEHARTO
1997	38,264	112,924	19.10%	38.74	0.065	SOEHARTO
1998	68.71	156.47	18.41%	37.87	0.111	HABIBI
1999	132.2	187,819	18.40%	38.39	0.776	HABIBI
2000	129.3	205,334	17.65%	37.34	0.2	A WAHID
2001	122.3	301,078	16.85%	36.15	0.094	A WAHID
2002	136.9	298,528	16.14%	35.1	0.1255	MEGAWATI
2003	135.4	341,396	17.86%	39.4	0.1003	MEGAWATI
2004	141.27	403,367	16.62%	37.17	0.0516	MEGAWATI
2005	134.5	495,224	15.95%	36.15	0.064	SBY
2006	132.63	637,987	15.27%	35.1	0.1711	SBY
2007	141.18	707,806	16.91%	39.4	0.066	SBY
2008	155.08	981,609	15.74%	37.17	0.0659	SBY
2009	172.87	848,763	14.61%	34.96	0.1106	SBY
2010	202.41	995.271	13.41%	32.53	0.0278	SBY
2011	225.17	1210.61 2	12.62%	31.02	0.0696	SBY
2012	252.37	1338.11 1	12.10%	30.12	0.037	SBY
2013	266.11	1438.89 1	11.61%	29.25	0.043	SBY
2014	293.33	1550.49 1	11.04%	28.17	0.084	SBY
2015	310.73	1508.02 1	10.95%	28.28	0.084	JOKOWI
2016	32000 6	1555.93 4	10.95%	28.59	0.034	JOKOWI
2017	35746 9	2080.51 1	10.61%	28.01	0.03	JOKOWI
2018	375.43	2220.61 1	9.52%	25.22	0.043	JOKOWI

2019	403529	2461.111	9.29%	24.79	0.0313	JOKOWI
2020	416587	2739.211	10.07%	27.55	0.0332	JOKOWI
2021	415.1	2750.211	9.69%	26.55	0.031	JOKOWI
2022	396.84	2714.211	9.56%	26.36	0.0551	JOKOWI
2023	407.1	3121.911	9.29%	25.9	0.0261	JOKOWI
2024	425.1	3325.111	8.74%	24.6	0.0226	JOKOWI

From the table and graphs it can be seen that the amount of APBN and debt tends to continue to increase, while the amount and ratio of poverty tend to decrease slowly from year to year, in all periods of government. An exception occurred in the era of Abdurahman Wahid's government where during his time there was a cumulative decrease in the amount of Indonesia's foreign debt. In the New Order Era (Soeharto) poverty in Indonesia was at 13-25%; Habibie Era around 18%, Abdurahman Wahid Era 16-17%, Megawati Era remained at 16-27%, SBY decreased by 11-15%, and Jokowi era remained at 9-11%.

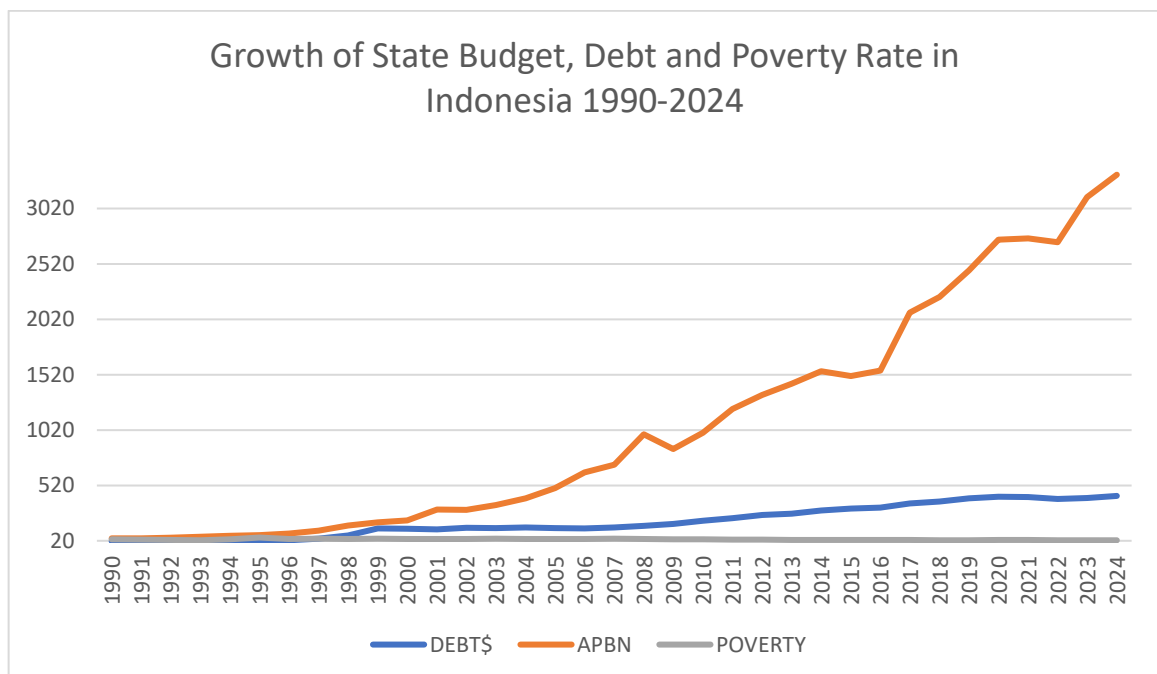


Chart 1. Trends in the State Budget, Debt and Poverty Rates in Indonesia 1990-2024

The Relationship between APBN, Debt and Poverty

Next, how do the APBN and foreign debt affect poverty alleviation efforts in Indonesia? To answer this, it can be seen from the results of the second stage of Eviews 10 analysis. with the dependent variable Poor and the independent variables Debt\$, Inflation, Era1, Era2, Era3, Era4 and Era5. The results are as follows:

Table 2. Output of Regression Results of APBN, Debt and Poverty Relations

Dependent Variable: _PROVERTY

Method: Least Squares

Date: 03/03/25 Time: 15:03

Sample: 1990 2024

Included observations: 35

Variable	Coefficient	Std. Error	t-Statistic	Prob.
APBN	-2.11E-11	1.02E-11	-2.061974	0.0493
DEBT\$	-4.09E-15	3.69E-14	-0.110916	0.9125
INFLANTION	8.55E-09	4.22E-08	0.202823	0.8409
ERA1	3.18E-09	2.26E-08	0.140743	0.8892
ERA2	-4.11E-09	1.69E-08	-0.243152	0.8098
ERA3	-5.43E-09	1.45E-08	-0.374776	0.7109
ERA4	-2.06E-08	1.39E-08	-1.480506	0.1508
ERA5	-3.02E-08	2.79E-08	-1.081897	0.2892
C	1.81E-07	8.24E-09	21.92999	0.0000
R-squared	0.777687	Mean dependent var	1.44E-07	
Adjusted R-squared	0.709284	S.D. dependent var	3.88E-08	
S.E. of regression	2.09E-08	Akaike info criterion	-32.30913	
Sum squared resid	1.14E-14	Schwarz criterion	-31.90919	
Log likelihood	574.4098	Hannan-Quinn criter.	-32.17107	
F-statistic	11.36906	Durbin-Watson stat	1.302462	
Prob(F-statistic)	0.000001			

Multiple Regression Results Table of the Relationship between APBN, Debt and Poverty

The results of statistical analysis show that the APBN has a significant impact on reducing poverty rates in Indonesia. While debt and inflation have no significant impact on poverty. To ensure whether these results are statistically valid, a Classical Assumption Test is required: autocorrelation, heteroscedasticity, multicollinearity, linearity, and normality. The following are the results (using the Eviews 15 application):

Table 3. VIF Values of Independent Variables of APBN, Debt, and Regime Differences

Variance Inflation Factors

Date: 03/08/25 Time: 11:40

Sample: 1990 2024

Included observations: 35

Variable	Coefficient Variance	Uncentered VIF	Centered VIF
APBN	9.94E-11	17.73643	8.485322
DEBT\$	1.31E-15	1.754025	1.554224
ERA1	0.000265	1.255323	1.183590
ERA2	0.000268	1.266531	1.194158
ERA3	0.000202	1.431125	1.308457
ERA4	0.000186	4.394266	3.138761
ERA5	0.000748	17.71208	12.65148
C	5.32E-05	4.410706	NA

The VIF value for all variables is still below 10, meaning it is safe from the effects of multicollinearity.

Table 4. Test Results (Linearity)

Ramsey RESET Test

Equation: UNTITLED

Omitted Variables: Squares of fitted values

Specification: _PROVERTY APBN DEBT\$ ERA1 ERA2 ERA3 ERA4
ERA5 C

	Value	df	Probability
t-statistic	1.588817	26	0.1242
F-statistic	2.524340	(1, 26)	0.1242
Likelihood ratio	3.243143	1	0.0717

F-test summary:

	Sum of Sq.	df	Mean Squares
Test SSR	0.001010	1	0.001010
Restricted SSR	0.011409	27	0.000423
Unrestricted SSR	0.010399	26	0.000400

LR test summary:

	Value
Restricted LogL	90.84018
Unrestricted LogL	92.46175

The probability value of the t-statistic $0.1242 > 0.05$ indicates that the econometric model used meets the requirements of the linear relationship assumption.

Table 5. Heteroscedasticity Test Results

Heteroskedasticity Test: Breusch-Pagan-Godfrey

Null hypothesis: Homoskedasticity

F-statistic	1.208296	Prob. F(7,27)	0.3320
Obs*R-squared	8.348804	Prob. Chi-Square(7)	0.3028
Scaled explained SS	19.10746	Prob. Chi-Square(7)	0.0079

The probability value of F-statistic $0.3322 > 0.05$ indicates that the assumption of no heteroscedasticity is met. This means that the model meets the requirements of homoscedasticity.

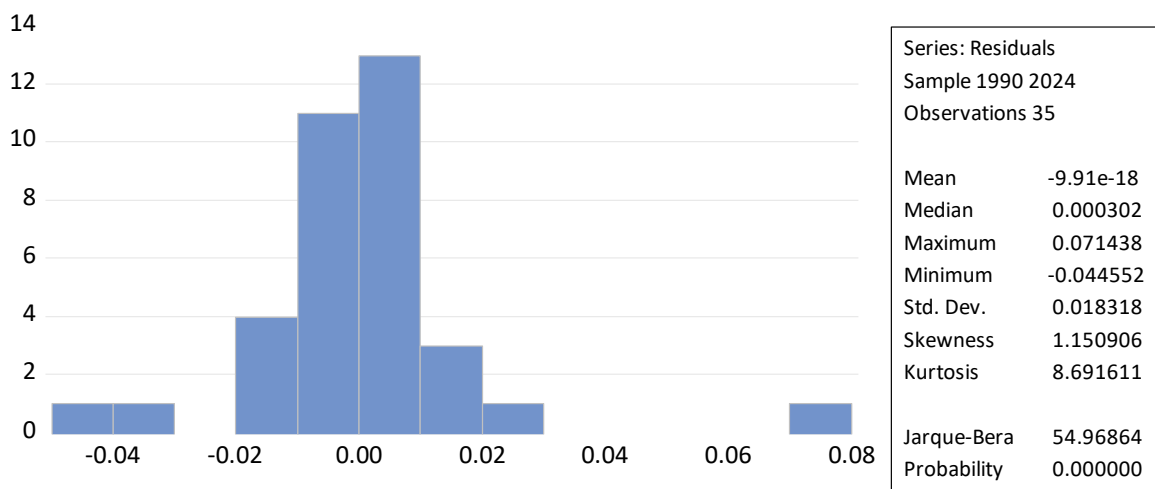
Table 6. Autocorrelation Test Results

Breusch-Godfrey Serial Correlation LM Test:

Null hypothesis: No serial correlation at up to 2 lags

F-statistic	2.366091	Prob. F(2,25)	0.1145
Obs*R-squared	5.570609	Prob. Chi-Square(2)	0.0617

Source : Statistical processing Eviews 15



Graph 2. Results of the Jarque-Bera Normality Test

The Jarque-Bera value of $54.96 > 0.05$ indicates normal data and meets the normality assumption requirements.

Summary of Classical Assumption Test

To ensure whether the regression results can be used, a classical assumption test is performed. A summary of the classical assumption test results is presented in the following table:

Table 7. Summary of the Results of the Classical Assumption Test of the Debt-Poverty Relationship Regression

Test Type		Assumption Test Results Classic			Conclusion	
Autocorrelation	Breusch-Godfrey LM (Lagrange Multiplier) Test	Breusch-Godfrey Serial Correlation LM Test: Null hypothesis: No serial correlation at up to 2 lags			n't any autocorrelation	
		F-statistic	2.366091	Prob. F(2,25)		
		Obs*R-squared	5.570609	Prob. Chi-Sq		
	Durbin Watson Analysis	DL (1.1426) < DW = 1.301164 > DU (1.1736)			n't any autocorrelation	
Heteroscedasticity	Breusch-Pagan-Godfrey Test	Heteroskedasticity Test: Breusch-Pagan-Godfrey Null hypothesis: Homoskedasticity			Does not contain heteroscedasticity	
		F-statistic	1.208296	Prob. F(7,27)		
		Obs*R-squared	8.348804	Prob. Chi-Sq		
		Scaled explained SS	19.10746	Prob. Chi-Sq		
Normality	Jarque-Bera Values	Jarque-Bera value 5.4749 > 0.05			Fulfil condition normal distribution	
Linearity	Ramsey Test		Value	df	Prob	Fulfil condition linearity
		t-statistic	1.588817	26	0.05	
		F-statistic	2.524340	(1, 26)	0.05	
		Likelihood ratio	3.243143	1	0.05	
Multicollinearity	Coefficient VIF diagnostics	Coefficient Uncentered				VIF number < 10 Shows no multicollinearity between variables
			t	d	Centered	
		Variable	Variance	VIF	VIF	
					4.80231	
		DEBT_\$	0.000263	9.851799	5	
		INFLATION			1.20234	
		N	0.000999	1.486515	3	
					1.94668	
ERA1	8.749570	2.550826	3			
			2.38762			
ERA2	12.90737	2.926763	2			

		6.66486 ERA3 22.66231 11.01151 4 C 5.999368 7.384834 NA	
Conclusion		Five tests passed	The regression model has met the statistical requirements

Source: Eviews 15 statistical analysis

The results of the classical assumption test show that the regression results have passed all classical assumption tests. In other words, the regression model has met the standard statistical requirements. Thus, the research results can be analyzed further. The econometric model of the relationship between variables is as follows:

$$\begin{aligned} \%POOR = & -2.10762269337e-05*APBN - 4.09138574356e-09*DEBT\$ + \\ & 0.00854891900345*INFLANTION + 0.0031805339634*ERA1 - \\ & 0.0041128451469*ERA2 - 0.00542590117598*ERA3 - \\ & 0.0205738456255*ERA4 - 0.0301788732467*ERA5 + \\ & 0.180713842147 \end{aligned}$$

Feasibility Test of APBN-Poverty Regression Model

To assess the feasibility of the regression model, the F test and t test are performed. The F test is to see the simultaneous effect of all independent variables on the dependent variable (GDP). The t test is performed to see the partial effect of each independent variable on the dependent variable (GDP).

F Test

From the results of multiple regression analysis of the effect of stability on GDP (see Table 8), the probability data obtained F statistic = 0.00001 with R2 = 0.7777 . This shows that simultaneously the independent variable indicators (APBN, foreign debt, inflation rate, and differences in budget regimes Era1, Era2, Era3, Era4, and Era5) have a significant effect on GDP. The correlation coefficient is high, reaching 77.77%. This means that all independent variables can explain GDP by 77.77%. The remaining 22.23% is influenced by other variables that are not studied.

$$\begin{aligned} \%PROVERTY = & -2.10762269337e-05*APBN - 4.09138574356e-09*DEBT\$ + \\ & 0.00854891900345*INFLANTION + 0.0031805339634*ERA1 - \\ & 0.0041128451469*ERA2 - 0.00542590117598*ERA3 - \\ & 0.0205738456255*ERA4 - 0.0301788732467*ERA5 + \\ & 0.180713842147 \end{aligned}$$

T-test

Table 8. Coefficient Values and Probability of t-Statistics of Poverty as a Function of APBN, Debt, Inflation, and Regime Differences

Variables Free	Coefficient	t Statistics	Probability t Statistics	Conclusion (α 7%)
State Budget	-0.0000213	-2.13853	0.0417	influential real
DEBT	-0.000000004	-1.12599	0.9007	No effect real
INFLATION	0.008548919	0.202762	0.8409	No effect real
ERA1	0.0031805	0.140783	0.8891	No effect real
ERA2	- 0.0041128	- 0.24317	0.8098	
ERA3	- 0.0054259	- 0.37487	0.1508	No effect real
ERA4	- 0.0205738	- 1.48048	0.2891	Influential (α 15%)
ERA5	- 0.0301788	- 1.08208	0.0326	Influential (α 30%)
C	0.180714	21.93053	0.00001	

Source: EvIEWS 15 statistical processing

From Table 8 above, there is one independent variable, namely APBN, which has a probability of t count below 0.05. This means that, partially, at α 5% (95% confidence level), the APBN variable has a significant effect on the achievement of poverty rates. Foreign debt, inflation, Era1, Era2, Era3, Era4, and Era5 have no significant effect on poverty rates. If the standard error is increased to 30%, then Era4 and Era5 also have a significant effect on poverty rates with negative coefficient values. Meanwhile, the inflation and Era1 variables are positively correlated with poverty rates. The statistically valid econometric model is as follows:

$$\%POOR = 0.180713842147 - 0.000021076*APBN - 0.02057*ERA4 - 0.0301788*ERA5$$

Interpretation of Research Results on APBN-Poverty Relations

From the econometric model, it can be said in general that the amount of the APBN and the changes in the Era4 and Era5 regimes are negatively correlated with poverty rates. The higher the amount of APBN spent, the lower the poverty rate in Indonesia. Meanwhile, the difference in the Era4 and Era5 government regimes also has an impact on poverty alleviation efforts in Indonesia. From the econometric model, the following interpretations can be made:

1. If the APBN is relatively small and the era of government does not change, then the number of poor people in Indonesia could potentially still be 18.07% of the population.

2. If the APBN amount increases by one million US dollars, the poverty rate in Indonesia will decrease by 0.0021%.
3. If the budget amount is reduced by 1 million dollars, the poverty rate will increase by around 0.0021% or around 5,914 thousand people (0.000021×281.1 million people).
4. At a standard error of 5% or a confidence level of 95%, changes in government regimes have no real effect on poverty alleviation efforts. This means that relatively the capabilities of the Habibie, Abdurhman Wahid, Megawati, SBY and Jokowi regimes are not better than those of the Soeharto regime.
5. If the standard error is increased by 30% or the confidence level is lowered to 70%, then the poverty alleviation policies of the SBY and Jokowi eras are relatively better than the Soeharto era.
6. At a standard error of 15% or a confidence level of 85%, the SBY regime's ability to eradicate poverty is relatively better than the Soeharto era and/or other regime eras.

From the results of the *dummy* variable regression above, it can be concluded that the change of government regime does not always result in better performance in poverty alleviation in Indonesia. The increase in the APBN has been proven to reduce poverty rates, but its effectiveness is relatively reduced from regime to regime.

Dedi Junaedi's research (2018) showed slightly different results. Poverty rates were significantly influenced by the variables of per capita debt, population, debt management in the Soeharto Era and the Habibie Era. Meanwhile, the inflation variable, debt management in the Abdurrahman Wahid, Megawati, SBY and Jokowi eras did not have a significant impact on poverty alleviation efforts. In other words, debt management in the Soeharto Era and the Habibie Era was better - in the sense that it was empirically proven to be able to reduce poverty levels in Indonesia - compared to other regimes that have held the reins of government in Indonesia. Debt management in the 4 eras was no different from debt management in the Soekarno Era.

Dedi Junaedi's (2018) research on the relationship between foreign debt and poverty informs that the variables Debt_GDP, Population, Inflation, Era1, and Era2 have a significant effect on the dependent variable Jmiskin with R^2 0.8937. The Debt/GDP and Population ratios are negatively correlated with JMiskin, while Inflation is positively correlated with JMiskin. This means that the greater the Debt/GDP ratio, the greater the reduction in poverty rates. Likewise with population, the greater the population, the greater the potential for increasing the number of poor people. While the effect of inflation is the opposite. The higher the inflation, the greater the increase in the number of poor people; the lower the inflation, the less pressure on poverty rates. (Dedi Junaedi, 2018)

What was done in debt management during the New Order and early Reform Eras can perhaps be traced to explain this correlation in an econometric model. Whatever, this could be an interesting study material for improving current and future

state debt management. In the Old Order (Soekarno) era, according to Lincoln Arsyad (2010), the dominant source of foreign debt loans came from the IMF and World Bank, as well as the Marshall Plan (US). Starting from the New Order (Soeharto) era, the source loan increase with ADB (*Asian Development Bank*), OECD (*Organisation for Economic Co-operation and Development*), and IGGI (*The Inter-Governmental Group on Indonesia*, 1966-1991) which then changed became CGI (*Consultive Group on Indonesia*, 1991-1998) and Paris Club (since 1998). Source other loans from bilateral and multilateral relations.

The debt to GDP ratio is one of the indicators commonly used by investors, both foreign and domestic, when buying SBN. This ratio can describe the country's ability to pay its debts. Because the smaller this ratio, it means that domestic production activities are relatively greater compared to the amount of debt. So that the results of domestic economic activities are able to repay the country's debt.

The safe limit of debt ratio to GDP was once published by the IMF (2015). For developed countries the ratio is 80%, while for developing countries it is 40%. However, this figure is not rigid, because there are various other indicators as a measure, so a country can exceed this limit, but is still considered safe.

Mariusz Maziarz (*Journal of Economic Methodology*, 24:1, 2017) said a number of OECD (*Organization for Economic Co-operation and Development*) countries with debt/GDP ratio is fairly high. Among others, Belgium (105.4%), France (116.1%), Greece (188.2%), Ireland (132%), Italy (147.4%), Japan (232.5%), Portugal (142.2%), Spain (111.5%), and the United Kingdom (103.1%). Japan, as for example, according to Maziarz (2017), the debt to GDP ratio includes high (2016, even reaching 250%). Japan's economy is still considered safe, because inflation is very low, and interest rates are close to zero. With just an increase in inflation, nominal GDP will increase, and its debt-to-GDP ratio will fall (assuming debt does not increase).

However, there is research that in a number of cases in developing countries, a high debt/GDP ratio is an early indicator of a poor economy. Lucy Anning's research with Collins Frimpong Ofori and Ernest Kwame Affum (However, there is research that in a number of cases in developing countries, a high debt/GDP ratio is an early indicator of a poor economy. Lucy Anning's research with Collins Frimpong Ofori and Ernest Kwame Affum (*International Journal of Innovation and Economic Development*, 2016: Volume 2, Issue 5) in Ghana shows that a high debt/GDP ratio is an indication of an economic crisis in this country.

Similar cases occurred in Nigeria, based on research by Jimoh Olatunji and He Weihang (*International Journal of Management Science and Business Administration*, 2017: Volume 3, Issue 4), and in Albania, based on research by Dorjan Teliti and Adriatik Kotorri (*International Journal of Innovation and Economic Development*, 2017: Volume 3, Issue 4). These two researchers confirmed the relationship between high debt/GDP ratios and the economic crisis in Nigeria and Albania.

Similar cases occurred in Nigeria, based on research by Jimoh Olatunji and He Weihang (*International Journal of Management Science and Business Administration*, 2017 Volume 3, Issue 4), and in Albania, based on research by Dorjan Teliti and

Adriatik Kotorri (International Journal of Innovation and Economic Development, 2017: Volume 3, Issue 4)

With referring to Based on these data , it appears that in understand debt this, no can seen with method too simplify conclusion connection between level debt with third the thing called government as indicator prosperity of the people as has mentioned previously . Large debt does not always mean that the country is in economic bankruptcy. On the contrary, the government also cannot easily state that debt can be a source of financing that can lead to economic growth and prosperity in a short time.

CONCLUSION

Based on the research results, the following conclusions can be drawn:

- Simultaneously, the size of the APBN, Foreign Debt, Inflation and differences in government regimes have a positive impact on poverty alleviation efforts in Indonesia.
- Partially, the APBN variable (at α 5%) has a significant effect on efforts to reduce poverty rates. Foreign debt, inflation, Era1, Era2, Era3, Era4, and Era5 have no significant effect on poverty rates.
- If the standard error is increased (up to α 30%), then Era4 and Era5 also have a significant effect on poverty rates with negative coefficient values. While the inflation and Era1 variables are positively correlated with poverty rates. The statistically valid econometric model is as follows: $\%POOR = 0.180713842147 - 0.000021076 \cdot APBN - 0.02057 \cdot ERA4 - 0.0301788 \cdot ERA5$

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