Social Assistance Expenditure as Mediating in Regional Original Income, General Allocation Funds, Against the Number of Poor People

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Abstract – This research is motivated by the high level of poverty causing the costs to be incurred for economic growth to be greater, so that it can hamper the rate of economic growth. The purpose of the study was to determine the effect of Regional Original Income and General Allocation Funds on social assistance spending, the effect of Regional Original Income and General Allocation Funds on the number of poor people, and whether social assistance expenditures were able to mediate the relationship between Regional Original Income and General Allocation Funds on the number of poor people. The population is 122 regencies/cities on the islands of Java and Bali, and the sample is taken by a purposive sampling method. The test methodology makes use of path analysis. The results of the study show that Regional Original Income has an effect on social assistance spending, General Allocation Funds have no effect on social assistance spending, Regional Original Income does not affect the number of poor people, the General Allocation Funds affect the number of poor people, and social assistance spending can mediate the relationship between income Regional Original Income on the number of poor people and spending on social assistance cannot mediate the relationship between the General Allocation Fund and the number of poor people on the islands of Java and Bali in 2016-2018. The ability of the variables of Regional Original Income, General Allocation Funds, and Social Assistance Expenditures to explains the variable of Number of Poor People by 43.5%. While the remaining 56.5% is influenced by other factors not examined.

Index Terms – Regional Original Income (PAD), General Allocation Fund (DAU), Social Assistance Expenditure (Bansos), and Number of poor people (JPM).

I. INTRODUCTION

Poverty is a classic problem and a burden for the world, especially in developing countries. Poverty is a problem of concern in every country and must be faced together. The phenomenon of poverty in Indonesia is one of the main problems that has occurred since the past up until now, the problem of poverty has often been found in big cities and in remote parts of the country. The government will make various efforts, including planning, policies, and development programs, to reduce the number of poor people (Nalle and Khia, 2018). Based on article 34 paragraph 1 of the 1945 Constitution of the Republic of Indonesia, it mandates the state's obligation to care for the poor and neglected children. The poor and neglected children, as referred to in the 1945 Constitution of the Republic of Indonesia, namely, the government and local governments, provide social rehabilitation, social security, social empowerment, and social protection as a manifestation of the state's obligations in ensuring the fulfillment of the rights to basic needs of citizens who are poor and incapable.

Poverty can arise due to limited human resources who have formal and non-formal education provisions (Rarun et al., 2018). Many poverty problems occur because of the backwardness of society which then increases into economic inequality, so that there are people who cannot follow the development process or use the results of development (Ramadhan et al., 2017). According to Tambunan (2016), of the many poverty problems that occur in Indonesia, there are several main indicators of poverty: Formal education, basic housing infrastructure, stairwells, and health care are all provided.

Based on Law No. 28 of 2009 concerning the source of PAD, which comes from regional taxes, regional levies, results of separated regional wealth management, and other legitimate regional original income. The function of local revenue is as a source of regional expenditure. If the regional original income increases, the funds owned by the regional government will be higher, so that the level of regional independence will increase, so that the regional government will explore the potential of the region to the maximum and economic growth will also increase (Tambunan, 2006). General allocation funds have the nature of "block *grants* ", i.e., local governments have power over the use of general allocation funds in accordance with the needs and aspirations of each region (Halim, 2017). According to Halim (2017), the most important goal of allocating general allocation funds is the distribution of service provision to the community by local governments in Indonesia. Based on Permendagri Number 32 of 2011 concerning guidelines for grants and social assistance sourced from the APBD, it is stated that social assistance is the provision of assistance in the form of money or goods by local governments to individuals, families, groups, and or communities that is not continuous and selective in nature. It aims to protect against possible social risks. According to Rafli and Sari (2021), the types of social assistance can be in the form of goods or money that can be received directly by the recipients of social assistance. In addition, donors of social assistance must meet certain criteria, among others: selective, meet the specified requirements, be temporary, and in accordance with the purpose of using social assistance.

Based on data from the Central Statistics Agency (BPS), on the island of Java, there are 5 provinces with 113 regencies/cities, while on the island of Bali, there is only 1 province with 9 regencies/cities. BPS recorded that in March 2016 the number of poor people (population with expenditure per capita per month below the poverty line) in Indonesia reached 28.01 million people (10.86%), a decrease of 0.50 million people compared to the condition in September 2015 of 28.51 million people (11.13%). Furthermore, data on the number of poor people in September 2017 was 26.58 million people (10.12%), then decreased by 1.19 million people compared to the condition in March 2017, which was 27.77 million people (10.64%). In March 2018, the number of poor people (people with monthly per capita expenditure below the poverty line) in Indonesia reached 25.95 million people (9.82%), a decrease of 633 thousand people compared to September 2017, when it was 26.58 million people (10.12%). In the period from 2016 to 2018, the number of poor people has decreased, so it is necessary to follow up to find out the factors that can reduce the poverty level.

II. LITERATURE REVIEW AND HYPOTHESIS DEVELOPMENT

Intitusional Theory

The main idea of institutional theory is that organizations form because of the pressures of the institutional environment that lead to institutionalization. So, that organizations that prioritize legitimacy are formed by the institutional environment around them because these organizations have a tendency to try to adapt to external expectations or social expectations where the organization is located (DiMaggio and Powell, 1983). Failure to meet these norms/expectations will threaten the legitimacy, resources, and even survival of the company (Lourenco, et.al., 2012). According to DiMaggio and Powell (1983), the process of legitimacy is often carried out by organizations, namely through state pressure and statements. Thus, the institutional theory's distinctiveness is found in the paradigm of norms in the form of regulation and legitimacy, modes of thought, and all socio-cultural phenomena that are consistent with the implementation of instruments in organizations.

Agency Theory

Jensen and Meckling (1976) state that agency theory refers to a type of agency relationship in which one or more (principals) hire others to perform some services on their behalf by delegating decision-making authority to the

agent. Agency theory in this study is used to explain the relationship between principals and agents in the budgeting process and budget changes.

Stewardship Theory

Stewardship theory describes a situation where *stewards* are not motivated by individual goals but rather set goals in the interests of the organization to achieve the desired goals or targets. This theory also illustrates that stewards will behave in accordance with the common interest. If the interests of the *steward (steward)* are not the same as those of the owner, then the *steward* will prefer to cooperate rather than oppose it because the *steward* feels that common interests and behavior in accordance with the owner's behavior is a rational consideration because the *steward* looks more at efforts to achieve organizational goals (Kumar and Sivaramakrishnan, 2008).

The Effect of Regional Original Income on Social Assistance Expenditure

According to Law No.33 of 2004 concerning Regional Original Revenue (PAD), namely income obtained by the region and collected based on regional regulations in accordance with applicable laws and regulations. PAD is one source of regional income obtained from sources of revenue in the region. Meanwhile, Rafli and Sari (2021) stated that the regional original revenue budget had no effect on changes in the increase in the regional government's social assistance budget. Based on the results of the research above, the following hypotheses can be proposed:

H $_1$: Regional Original Income has an effect on Social Assistance Expenditure.

The Effect of the General Allocation Fund on Social Assistance Expenditure

Talangamine et al. (2018) explained that the General Allocation Fund (DAU) is a number of funds allocated to each Autonomous Region (province/district/city) in Indonesia annually as development funds. Based on the Minister of Home Affairs Regulation Number 32 of 2011 concerning Guidelines for the Provision of Grants and Social Assistance sourced from the Regional Revenue and Expenditure Budget, regional governments can provide social assistance to members/community groups according to regional financial capabilities. The provision of social assistance is carried out after prioritizing the fulfillment of mandatory business expenditures by taking into account the principles of justice, propriety, rationality, and benefits for the community. According to Wibisono et al. (2021), the DAU had an effect on social assistance in local governments throughout the Madiun Bakorwil. Based on the results of the research above, the following hypotheses can be proposed:

H $_2$: The General Allocation Fund has an effect on Social Assistance Expenditure.

The Effect of Regional Original Income on the Number of Poor People

The implementation of development in the regions requires quite a lot of funds, and in this case, the regions cannot only depend on balancing funds from the center, so the regions must be able to explore the potential of their regions to be used as financing for routine expenditures and regional development expenditures in the era of regional autonomy in order to increase their income. High Regional Original Income will affect development and development in the region, which is realized in the form of building public facilities so that it can improve the welfare of the community. According to Astuti et al. (2021), PAD has an effect on poverty rates in Java. Based on the results of the research above, the following hypotheses can be proposed:

H $_3$: Regional original income affects the number of poor people.

The Effect of the General Allocation Fund on the Number of Poor People

General allocation funds (DAU) are funds originating from the APBN which are allocated with the aim of an equitable distribution of financial capacity among regions to finance their expenditure needs in the context of implementing decentralization (Halim, 2007). According to Wijaya et al. (2018), the DAU had an effect on poverty in East Java province in 2015–2016. Based on the results of the research above, the following hypotheses can be proposed:

H $_4$: The General Allocation Fund affects the number of poor people.

Social Assistance Expenditures can mediate the relationship between Regional Original Income and General Allocation Funds on the Number of Poor People

Based on the Minister of Home Affairs Regulation No. 32 of 2011 concerning Guidelines for the Provision of Grants and Social Assistance sourced from the Regional Revenue and Expenditure Budget, regional governments can provide social assistance to members/community groups according to the regional financial capacity. According to Melati et al. (2021), social assistance spending had a positive but not significant effect on poverty in districts/cities in West Java Province in 2015–2019. Meanwhile, according to Rarun et al. (2018), social assistance spending has no effect on poverty in the province of North Sulawesi. Based on the results of the research above, the following hypotheses can be proposed:

H_5: Social Assistance Expenditures can mediate the relationship between Local Original Income and the Number of Poor People.

H_6: Social Assistance Expenditure can mediate the relationship between the General Allocation Fund and the Number of Poor People.
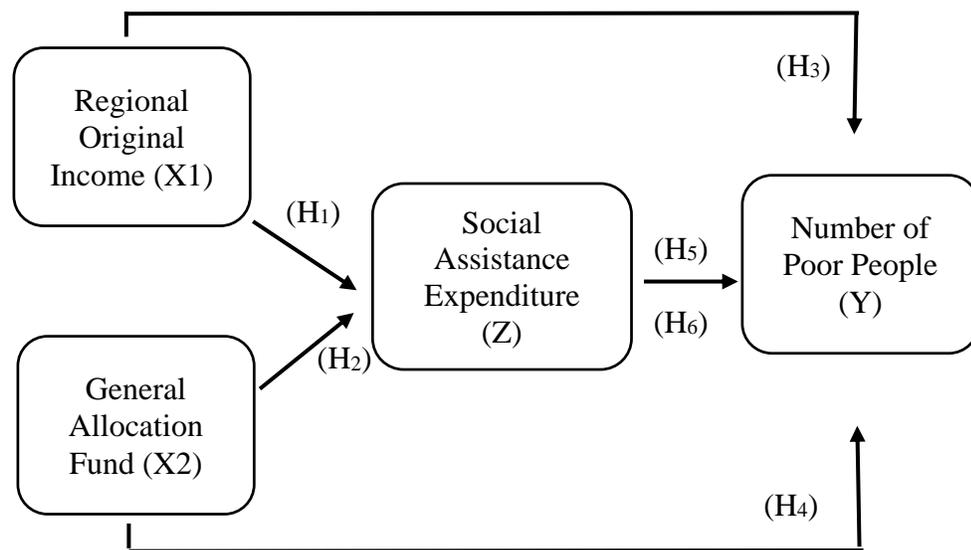

Figure 1. Hypotheses and Conceptual Framework

III. RESEARCH METHOD

Population and Sample

This research is research with a quantitative method. The method used to analyze data related to the problem of the influence of regional original income and general allocation funds on the number of poor people with the mediating variable of social assistance expenditure. The population in the study is in the form of data from as many as 122 regencies/cities on the islands of Java and Bali. The research sample was taken using a purposive sampling method with criteria covering districts and cities that have PAD and DAU, districts and cities that have a number of poor people, and districts and cities that have social assistance spending.

Variable e Measurement

Each of these research variables has a definition that will be explained in this study. (X1) Regional Original Income and (X2) General Allocation Fund, (Y) Number of Poor People, and (Z) Social Assistance Expenditure are the variables.

1. Poverty is where a person lives below the standard minimum needs that have been set based on basic food needs that make a person able to work and live a healthy life based on rice and nutritional needs (Nalle and Khia, 2018).
2. Regional original income (PAD) is all regional revenues originating from regional original economic sources, such as taxes, user fees, the results of separated regional wealth management and other legitimate regional original income (Halim, 2007). Based on Law No. 33 of 2004, PAD is sourced from regional

taxes, regional taxes are regional income derived from taxes. The formula for calculating Regional Original Income (PAD) is:

PAD = regional taxes + regional levies + regional wealth management results + other legitimate PAD

3. The General Allocation Fund (DAU) is a number of funds allocated to each Autonomous Region (province/district/city) in Indonesia annually as development funds (Talangamin *et al* ., 2018). Wibisono *et al.* (2021) explained that, local governments really need DAU in order to reduce or cover the lack of regional income. The General Allocation Fund formula per area:

$$DAU = AD + CF$$

Information :

DAU   = DAU allocation per region
AD   = Allocation of DAUs based on Base Allocation
CF   = Fiscal Need – Fiscal Capacity

4. Social assistance is a transfer of money or goods given to the community to protect against possible social risks. Based on Permendagri Number 32 of 2011 concerning guidelines for grants and social assistance sourced from the APBD, it is stated that social assistance is the provision of assistance in the form of money or goods by local governments to individuals, families, groups, and or communities that is not continuous and selective in nature. It aims to protect you from the possibility of social risk.

IV.   RESULT AND DISCUSSION

1. Descriptive Statistics Test

Table 1. Descriptive Statistical Test Results

	N	Minimum	Maximum	Mean	Std. Deviation
PAD	366	6638534815 3.00	5161844571 171.67	5638153884 69,1120	706292897659 ,22100
DAU	366	670278830. 00	3162102111 000.00	9766266473 74,8960	358236248705 ,58500
JPM	366	7040000.00	120060000. 00	11849224.0 437	9966437,0858 0
Bansos	366	0.00	2237853297 30.00	1402434613 5,1451	21089383760, 17900
Valid N (listwise)	366				

Based on table 1 above, it shows that the amount of data used in this study was 366, taken from 2016-2018. With the following results:

    a. Regional Original Income (PAD)

The Local Original Income Variable has a minimum value of Rp. 66,385,348,153.00 located in Pangandaran Regency in 2016 and a maximum value of Rp. 5,161,844,571,171.67 located in the city of Surabaya in 2017, with a *mean value* of Rp. 563,815,388,469,112 and a standard deviation of Rp. 706,292,897,659,221.

    b. General Allocation Fund (DAU)

The General Allocation Fund variable has a minimum value of Rp. 670,278,830 located in Yogyakarta City in 2016 and a maximum value of Rp. 3,162,102,111,000 located in Tegal Regency 2016, with a *mean value* of Rp. 976,626.647,374,896 and a standard deviation of Rp. 358,236,248,705,585.

    c. Number of Poor People (JPM)

The variable "Number of Poor People" has a minimum value of 704,000 located in Mojokerto City in 2018 and a maximum value of 120,060,000 located in Sumedang Regency in 2016, with a *mean value* of 11,849,224,0437158 and a standard deviation of 9,966,437,0858037.

d. Social Assistance Expenditure (Bansos)

The Social Assistance Expenditure variable has a minimum value of Rp. 0.00 because several districts/cities did not receive social assistance spending and the maximum value was Rp. 223,785,329,730 located in Badung Regency in 2018, with a *mean value* of Rp. 14,024,346,135,1451 and a standard deviation of Rp. 21,089,383,760,179.

2. The Classic Assumption Test

The normality test is carried out to test whether, in a regression model, an independent variable and a dependent variable or both have a normal or abnormal distribution (Ghozali, 2016). In this study, the normality test uses the CLT (Central Limit Theorem) test, that is, if the number of observations is large enough (n >30), the assumption of normality can be ignored (Gujarati, 2003). In this study, the number of n is 366 > 30. This shows that the data is said to have a normal distribution, and the data is referred to as a large sample.

The multicollinearity test was carried out by looking at the value of the variance inflation factor (VIF) and the tolerance value. Based on the results of SPSS output equations 1 and 2, the VIF value for each independent variable is less than 10 and the tolerance value is above 0.10, so it can be concluded that all independent variables in this study are not indicated by multicollinearity. An autocorrelation test is used to detect the presence or absence of autocorrelation by performing a run test. Based on the results of the SPSS output, equation 1 shows the *Asymp value. sig. (2-tailed)* of 0.143 more than 0.05. Equation 2 shows the *Asymp value. Sig. (2-tailed)* of 0.075 more than 0.05. So, it can be concluded that the regression model used in the study is free from autocorrelation.

The test used to detect the presence of heteroscedasticity in the regression model is the Spearman Rho test. Based on the results of SPSS output equation 1, it shows that the sig value of regional original income is 0.016 0.05, suggesting that the regional original income variable experiences heteroscedasticity symptoms in the regression model. While the General Allocation Fund has a sig value of 0.953 > 0.05, so that the General Allocation Fund variable does not show heteroscedasticity symptoms in the regression model. The value of sig > 0.05, so it can be concluded that there is no symptom of heteroscedasticity in the regression model. The regression model is feasible to use to predict the effect of regional original income, general allocation funds, and social assistance expenditures on the number of poor people.

3. Hypothesis test
a. Path Analysis

The results of path analysis in this study can be seen in the following table:

Table 2. Path Analysis Results

Equation 1

Model		Unstandardized Coefficients		Standardized Coefficients	t	Sig.
		B	Std. Error	Beta		
1	(Constant)	8524689468.323	30106421 99,868		2.832	.005
	PAD	.011	.001	.360	7.181	.000
	DAU	-.001	.003	-.010	-.194	.847

Equation 2

Model		Unstandardized Coefficients		Standardized Coefficients	t	Sig.

		B	Std. Error	Beta		
1	(Constant)	-6309425.325	1154521.027		-5.465	.000
	PAD	-3.648E-7	.000	-.026	-.601	.548
	DAU	0,0000184615 835065849	.000	.664	16.498	.000
	Bansos	0.0000023834 0631302279	.000	.050	1.197	.232

Based on the results of the SPSS output equation 1 and equation 2 above, the path analysis equation can be arranged as follows:

Equation 1

Social Assistance Expenditure = 8524689468,323 + 0.011 PAD - 0.001 DAU + e

Based on the regression equation, it can be interpreted as follows:

1) The constant value of 8524689468.323 indicates that if the Regional Original Income (PAD) and General Allocation Funds (DAU) variables do not change or are considered constant at value 0, then the social assistance expenditure is 8524689468.323.
2) The regression coefficient on the Regional Original Income (PAD) variable shows a value of 0.011 and is positive. This shows that if the value of Regional Original Income increases by 1 unit, then social assistance expenditures increase by 0.011 units with the assumption that other variables have a fixed value.
3) The regression coefficient on the General Allocation Fund (DAU) variable shows a value of -0.001 and is negative. This shows that if the General Allocation Fund increases by 1 unit, then social assistance spending will decrease by 0.001 units, assuming other variables are fixed or constant.

Equation 2

JPM = - 6309425,325 – 3,648E-7 PAD +
0.0000184615835065849 DAU + 0.00000238340631302279
Social Assistance Expenditure + e

Based on the regression equation, it can be interpreted as follows:

1) The constant value of -6309425.325 indicates that if the variables of Regional Original Income, General Allocation Funds, and Social Assistance Expenditures do not change or are considered constant at value 0, then social assistance spending is -6309425.325.
2) The regression coefficient on the Regional Original Income variable shows a value of –3.648E-7 and is negative. This shows that if the value of Regional Original Income increases by 1 unit, the number of poor people will decrease by 3,648E-7 units with the assumption that other variables have a fixed value.
3) The regression coefficient on the General Allocation Fund variable shows a value of 0.0000184615835065849 and is positive. This shows that if the General Allocation Fund increases by 1 unit, then the number of poor people increases by 0.0000184615835065849 units, assuming other variables are constant or constant.
4) The regression coefficient on the Social Assistance Expenditure variable shows a value of 0.000238340631302279 and is positive. This shows that if Social Assistance Expenditure increases by 1 unit, then the number of poor people increases by 0.00000238340631302279 units with the assumption that other variables are fixed or constant.

b. <u>T Uji test</u>

Hypothesis testing is done by using the t-test is used to partially test the regression coefficient by looking at the effect of the independent variable on the dependent variable. Based on the regression model testing, the following results were obtained:

Table 3. T-Test Results

Equation 1

Variable	Standardized Coefficients Beta	t count	t table	Sig	Information
PAD	0.360	7,181	1,966	0.000	H1 accepted _
DAU	-0.010	- 0.194	1,966	0.847	H2 rejected _

Equation 2

Variable	Standardized Coefficients Beta	t count	t table	Sig	Information
PAD	-0.026	- 0.601 _	1,966	0.548 _	H3 rejected _
DAU	0.664	16, 498	1,966	0, 000	H4 accepted _
Bansos	0.050	1, 197	1,966	0, 232	H5 is accepted and H6 is rejected

Based on the results of the SPSS output equation 1 and equation 2 above, it shows that:

1) The Effect of Regional Original Income (PAD) on Social Assistance Expenditure (X_1)

The results of statistical testing of the t-test of the PAD variable obtained a t-count value of 7.181 with a sig level of 0.000 and obtained a t-table of 1.966. Due to the value of t arithmetic 7.181 > t table 1.966 with a sig value of 0.000 < 0.05, hypothesis 1 is accepted. This research proves that regional original income (PAD) affects social assistance spending. Social assistance spending allocated from PAD sources is a priority for local governments. The Social Assistance Budget is an implementation of social development in each region. Social development aims to solve poverty, covering aspects of income, consumption, and social and environmental aspects. The expectation from the allocation of social assistance by Regency/City governments is to reduce poverty.

This study supports the results of research conducted by Wibisono *et al.* (2021), which states that PAD affects social assistance in regional governments throughout the Madiun Bakorwil. However, this study does not support the research conducted by Rafli and Sari (2021), which stated that the regional original revenue budget did not affect changes in the social assistance expenditure budget of Regency or City governments in Sumatra in 2016–2019.

2) The Effect of the General Allocation Fund (DAU) on Social Assistance Expenditure (X_2)

The results of statistical testing of the t-test of the DAU variable obtained a t-count value of -0.194 with a sig level of 0.847 and obtained a t-table of 1.966. Due to the value of t arithmetic - 0.194 < t table 1.966

with a sig value of 0.847 > 0.05, hypothesis 2 is rejected. This study proves that the General Allocation Fund (DAU) does not affect social assistance spending. The General Allocation Fund (DAU) is a collection of funds allocated to each autonomous region (province/district/city) in Indonesia annually as development funds (Talangamin et al., 2018). By Law Number 33 of 2004, at least twenty-six percent (26%) of the government's net domestic revenue is allocated to DAU. General allocation funds are allocated to each region based on the allocation formula (by formula).

The results of this study do not support the research conducted by Wibisono *et al.* (2021), which states that the DAU has an effect on social assistance in local governments throughout the Madiun Bakorwil.

3) The Effect of Regional Original Income (PAD) on the Number of Poor People (X $_3$)

The results of statistical testing of the t-test of the PAD variable obtained a t-count value of -0.601 with a sig level of 0.548 and obtained a t-table of 1.966. Due to the value of t arithmetic - 0.601 < t table 1.966 with a sig value of 0.548 > 0.05, then hypothesis 3 is rejected. This study proves that regional original income (PAD) does not affect the number of poor people. The realization of regional original income does not affect the number of poor people because the size of the realization of regional original income does not ensure that the number of poor people is affected. For example, the realization of the Tabanan Regency Original Revenue budget in 2016 was Rp. 318,083,799,105.63, with the number of poor people of 2,190,000. The realization of the Tabanan Regency Original Revenue budget in 2017 was Rp. 426,635,750,740,34 with a total poor population of 2,166,000. While the realization of the Tabanan Regency Original Revenue budget in 2018 was Rp. 363,370,469,708.67 with a number of poor people of 1,977,000. This proves that the realization of a large budget does not necessarily affect overcoming the increase in the number of poor people.

This study supports the results of research conducted by Fitriyanti and Handayani (2020), which states that Regional Original Income has a significant negative effect on the poverty level of districts/cities in Central Java Province. However, this study does not support the research conducted by Astuti, *et al.* (2021), which states that PAD partially and simultaneously affects the poverty rate in West Java.

4) The Effect of the General Allocation Fund (DAU) on the Number of Poor People (X $_4$)

The results of statistical testing of the t-test of the DAU variable obtained a t-count value of 16,498 with a sig level of 0.000 and a t-table of 1.966 were obtained. Due to the value of t arithmetic 16.498 > t table 1.966 with a sig value of 0.000 < 0.05, hypothesis 4 is accepted. This study proves that the General Allocation Fund (DAU) has an effect on the number of poor people. With the regional autonomy policy, for regions that have reliable potential resources, both human and natural, this policy is welcomed, considering that free government intervention will provide faster opportunities and have a positive impact on improving the welfare of the public.

This study supports the results of research conducted by Wijaya *et al.* (2018), which states that the DAU affects poverty in East Java province from 2015-2016. However, this study does not support the research conducted by Astuti *et al.* (2021), which states that the DAU does not affect poverty in East Java.

5) Social Assistance Expenditure can mediate the relationship between Local Original Income and the Number of Poor People (X $_5$)

The results of the indirect test of social assistance obtained a value of 0.018. Due to the beta results of regional original income of 0.360 multiplied by the beta results of social assistance expenditures (Bansos) of 0.050, the indirect test results are 0.018, so hypothesis 5 is accepted. This study proves that social assistance spending (Bansos) can mediate the relationship between regional original income and the number of poor people. While the direct test value is too small, namely -0.026, then what is used is the result of indirect testing. Social assistance is one of the government's ways of reducing poverty in Indonesia. These expenditures are always routinely available to address various social and economic risks. In Permendagri Number 32 of 2011 concerning guidelines for grants and social assistance sourced from the APBD, it is stated that social assistance is the provision of assistance in the form of money or goods by local governments to individuals, families, groups, and or communities that is not continuous and selective. It aims to protect against possible social risks.

This study supports the results of research conducted by Rarun *et al.* (2018), which states that social assistance spending has a significant negative impact, meaning that if social assistance spending increases, it will reduce the poverty rate in the province of North Sulawesi. And in line with research conducted by Wibisono *et al.* (2021), which states that PAD affects social assistance in regional governments throughout the Madiun Bakorwil.

6) Social Assistance Expenditure can mediate the relationship between the General Allocation Fund and the Number of Poor Pople (X_6)

The results of the indirect test of social assistance obtained a value of -0.0005. Due to the beta result of the General Allocation Fund (DAU) of-0.010 multiplied by the beta result of social assistance spending (Bansos) of 0.050, the indirect test result is -0.0005, so hypothesis 6 is not accepted. This study proves that social assistance spending (Bansos) cannot mediate the relationship between the General Allocation Fund (DAU) and the number of poor people, because the indirect research results are smaller than direct research. Meanwhile, the direct test results have a greater value, namely 0.664.

This study supports the research conducted by Melati *et al.* (2021), which states that social assistance spending has a positive but not significant effect on poverty in districts/cities in West Java Province from 2015–2019. Because the impact received is very small and cannot help people move out of poverty, it is difficult for the government to identify the poor to receive social assistance.

V. CONCLUSION

Conclusion

Based on the results of research and hypothesis testing that have been carried out, the following conclusions can be drawn:

1. Regional Original Income (PAD) has a positive and significant effect on social assistance spending. This result is evidenced by the value of t arithmetic 7.181 > t table 1.966 with a sig value of 0.000 < 0.05, so **H1 is accepted**.

2. The General Allocation Fund (DAU) does not affect social assistance spending. This result is evidenced by the value of t arithmetic - 0.194 < t table 1.966 with a sig value of 0.847 > 0.05, so **H2 is rejected**.

3. Regional original income (PAD) does not affect the number of poor people. This result is evidenced by the value of t arithmetic - 0.601 < t table **1.966** with a sig value of 0.548 > 0.05, so **H3 is rejected**.

4. The General Allocation Fund (DAU) has a positive and significant effect on the number of poor people. This result is evidenced by the value of t arithmetic 16,498 > t table 1,966 with a sig value of 0.000 < 0.05, so **H4 is accepted**.

5. Expenditures on social assistance (Bansos) can mediate the relationship between regional original income and the number of poor people. This result is evidenced by the multiplication value of the indirect test beta 0.018 > the direct test beta value of -0.026, so **H5 is accepted**.

6. Social assistance spending (Bansos) cannot mediate the relationship between the General Allocation Fund and the number of poor people. This result is evidenced by the multiplication value of the indirect test beta of -0.0005 < the direct test beta value of 0.664, so **H6 is rejected**.

Research Limitations

The limitations put forward by researchers in carrying out this research are as follows:

1. The data collection period is only 2016-2018, while good research uses more years so that it can better explain the real variability of the data.

2. The data used in this study is too heterogeneous, causing the Regional Original Income (PAD) variable in equation 1 to have heteroscedasticity symptoms because it has a sig value of less than 0.05.

Suggestion

The suggestions that the author can give in this research are as follows:

1. For further research, it is better to use more diverse independent variables that can affect the number of poor people.

2. The year of sampling should use the latest year so that the data used in the research is relevant.

3. It is expected to use a wider sample so that more accurate research results can be found regarding the number of poor people.

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