

# Implications of the triple track strategy policy on poverty alleviation

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## Abstract

This study aims to analyze the effect of the People's Business Credit, health expenditure, education expenditure, regional investment, and the number of workers on poverty alleviation from the implications of the triple track strategy policy on district/city governments in Central Java Province. This study uses secondary data from 2017 to 2019. The hypothesis testing in this study uses multiple regression analysis through the SPSS 23 program. The results of the test of the coefficient of determination (R<sup>2</sup>) obtained an Adjusted R Squared of 89%, which indicates that poverty is influenced by variables through the People's Business Credit, health spending, education spending, regional investment, and the number of workers. The results of the study partially show that education spending and regional investment have no effect on poverty alleviation, but the People's Business Credit, health spending, and the number of workers have an effect on poverty alleviation in district/city governments in Central Java Province.

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## Introduction

In the history of the nation's journey, Indonesia has experienced various changes in the government system. The government system of the old order, the new order, to the reform era which attempted to create an ideal society condition. This community change strategy requires searching for an ideal formula known as development.

Development in Indonesia began to develop rapidly during the Neweraera based on the concept of developmentalism which originated in western countries. Developmentalism is an understanding of the ideal concept of an order of social welfare. The development implemented during the New era was not balanced between the programs planned by the government and the damage in the ecological sector. This is because the development carried out does not have a clear and measurable time so that aspects of life such as in the environment are exploited. Crisis ensues with large foreign debts, environmental damage, economic disparities, and people living in poverty misery.

The shift in development in Indonesia has undergone a phase of change, from the new era to the reform era. Law Number 22 of 1999 concerning regional government replaces Law Number 5 of 1974 concerning the role of the government in enhancing development. The implication of this Law is marked by the emergence of regional autonomy which has shifted the paradigm of centralized government administration to decentralized.

The Regional Autonomy Law was revised by Law Number 32 of 2004 concerning Regional Government and Law Number 33 of 2004 concerning Financial Balance between Central and Regional Government. The regional autonomy policy gives authority to regional governments to create revenue for their own regions and is more flexible to allocate these revenues in the context of increasing development independently.

During the presidency of President Susilo Bambang Yudhoyono, he produced a policy which became the flagship program of the Indonesian government in the National Mid-Term Development Plan. The resulting policy is the Triple Track Strategy which consists of pro growth (economic growth), pro poor (poverty alleviation), and pro jobs (job creation or unemployment reduction).

Furthermore, during Jokowi's leadership, the Triple Track Strategy policy was continued in efforts to increase development. The Triple Track Strategy emphasizes the acceleration of economic growth which has an impact on increasing employment opportunities and will reduce the level of household poverty in the regions.

The pro growth policy includes a cooperative empowerment strategy, the development of Micro, Small and Medium Enterprises, and the provision of guarantee fees and interest subsidies for People's Business Credit. This policy is focused on business opportunities and income stability for micro businesses. This is expected to provide economic sustainability and equity. In addition, the importance of pro-growth policies for the economy in Indonesia includes increasing public and foreign investor confidence, promoting a stable and conducive business climate, and expanding investment.

According to Wijayanti (2016) The pro poor policy (poverty alleviation) is a government social policy that favors the poor or the poor. The poverty limit referred to is not only economic inability, but also includes failure to fulfill basic rights as well as differences in treatment for a person or group of people in leading a life with dignity. The basic rights that are generally recognized include the fulfillment of the needs for food, health, education, employment, housing, clean water, defense, natural resources, and the right to participate. Pro-job policies (creating jobs or reducing unemployment) are the efforts made by the government to create jobs that are useful in improving the quality of life of the community. With the increase in job opportunities, the better the quality of life of the community. The pro job strategy includes increasing the capacity of the workforce, protecting the workforce, and real sector policies or programs that are supported by improvements in the investment climate, regulatory framework, budget framework, and cooperation with the private sector. Pro jobs are synonymous with talks about job opening. This employment is directly related to the existence of unemployment which is one of the causes of poverty. In simple terms, the amount of job unavailability is directly proportional to the number of unemployed.

The government implements a pro-job policy, one of which is the "Labor-Intensive Investment Creating Jobs" program. This program is one of the steps to prevent more unemployment. This program is implemented in all provinces in Indonesia including Central Java Province with a budget allocation of IDR 102 billion for 454 locations in 2018. Meanwhile, in Central Java Province there are also 8 Foreign Investments and 3 Domestic Investments, with a total investment plan of IDR 13.1 trillion and investment realization of Rp. 9.6 trillion. 11 The company is targeted to employ 91,705 workers, with details of 53,305 people in 2015-2016 and 38,400 people in 2017-2019.

There are 15 districts in Central Java Province which are included in the poverty red zone.

**Table 1.** District Poverty Red Zone, 2017 - 2019

Ranking	2017 District	2018 District	2019 District
1	Wonosobo	Wonosobo	Kebumen
2	Kebumen	Kebumen	Wonosobo
3	Brebes	Brebes	Brebes
4	Purbalingga	Pemalang	Pemalang
5	Rembang	Purbalingga	Purbalingga
6	Pemalang	Banjarnegara	Rembang
7	Banjarnegara	Rembang	Banjarnegara
8	Banyumas	Banyumas	Sragen
9	Klaten	Sragen	Banyumas
10	Sragen	Klaten	Klaten
11	Cilacap	Demak	Demak
12	Purworejo	Grobogan	Grobogan
13	Demak	Blora	Purworejo
14	Grobogan	Purworejo	Blora
15	Blora	Cilacap	Cilacap

Source: Central Statistics Agency, 2019

Poverty is still a problem in districts/cities in Central Java Province. At that time the value of the regional budget continues to increase every year. The hope is that in Central Java, regional expenditure according to the function allocated can be an investment in human development in the future as an indicator for alleviating poverty in each district/city.

The results of the relevant previous research studies can be seen in the following table:

**Table 2.** Previous Research Results

Researcher	Research Title	Research Result
Iztihar and Ashar (2018)	Analysis of the Effect of People's Business Credit on Poverty Reduction, Small Business Development and the Economy in Indonesia	People's Business Credit has a significant negative effect on poverty.
Mardiana <i>et al.</i> (2017)	Analysis of the Effect of Local Government Expenditures on Education and Health and Infrastructure on the Unemployment Rate and Poverty Level in East Kalimantan	An increase in government spending on education has a positive effect on increasing poverty. An increase in government spending on health has a negative and significant effect on reducing the poverty rate
Fithri and Kaluge (2017)	Analysis of the Effect of Government Spending on Education and Health on Poverty in East Java	Government spending in the education sector has a negative and insignificant effect on poverty. Public health spending has a positive and insignificant effect on poverty
Nizar <i>et al.</i> (2013)	The Influence of Investment and Labor on Economic Growth and Its Relationship to the Poverty Level in Indonesia	Government investment has a negative effect on the poverty rate in Indonesia. Labor has a negative effect on the poverty rate in Indonesia
Sunusi <i>et al.</i> (2014)	Analysis of the Effect of the Number of Workers, Level of Education, Government Expenditure on Economic Growth and Its Impact on Poverty in North Sulawesi 2001-2010	Labor has a negative effect on poverty levels. Government spending has a negative effect on poverty levels

The difference between this study and previous research is the development of variables and research objects in Central Java. The reason for choosing these variables is because these variables represent the components of the Triple Track Strategy Policy. Meanwhile, the reason for choosing the object of research in Central Java is because in its contribution to GDP (Gross Domestic Product), Java Island is the largest contributor when compared to other islands with details of the provinces that provide the largest contribution are Jakarta at 17.81%, East Java at 15, 41%, West Java 14.49%, and Central Java 8.42%. Central Java Province has a low contribution to national GDP compared to other provinces in Java Island. (Central Bureau of Statistics in Astuti, 2020).

The purpose of this study is to analyze the effect of the People's Business Credit, health expenditure, education expenditure, regional investment, and the number of workers on poverty alleviation from the implications of the triple track strategy policy on district/city governments in Central Java Province.

Based on the phenomenon, researchers are interested in examining deeper and conducting research with the title Implications of the Triple Track Strategy Policy on Poverty Alleviation.

## Literature Review and Hypotheses Development

### 1. Poverty (Y)

The poverty indicator is represented by the number of poor people who have an average per capita expenditure per month below the poverty line. The greater the number of poor people, the worse the level of welfare of the people in the area.

The poverty indicator is measured by the number of poor people who have an average per capita expenditure per month below the poverty line. Figures for the number of poor people are obtained from the Central Java Statistics Agency.

### 2. People's Business Credit (X1)

According to Kusmuljono (2009) People's Business Credit is a Working Capital Credit and/or Investment Credit with a credit limit of up to Rp. 500 million which is given to micro, small, medium enterprises and cooperatives that have productive businesses that will receive guarantees from the Guarantee Company. Data of People's Business Credit used in this research is credit extended to micro, small, medium enterprises which are feasible productive businesses, but not yet bankable.

According to Kusmuljono (2009) People's Business Credit is a Working Capital Credit and/or Investment Credit with a credit limit of up to Rp. 500 million, which is given to micro, small, medium and cooperative enterprises (MSMEs) that have productive businesses that will receive guarantee from the Guarantee Company. People's Business Credit is measured from data on the amount of credit extended to MSMEs which are feasible productive businesses, but not yet bankable..

### 3. Health Expenditures (X2)

Health function expenditures are regional expenditures issued for health programs such as supporting the implementation of pharmaceutical programs and medical devices through the provision of new vaccines and the transfer of family planning counselors and family planning field officers from the regional government to the central government.

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### 4. Education Expenditures (X3)

Education function expenditure is regional expenditure issued for programs related to the education, youth and sports sectors, libraries, and others.

Education function expenditure is regional expenditure issued for programs related to the education, youth and sports sectors, libraries, and others. Education expenditure is measured by the total government expenditure on education during a period.

### 5. Regional Investment (X4)

Investment is an investment for one or more assets that are owned and usually have a long term with the hope of getting benefits in the future. In this study, the regional investments used are those in the Regional Expenditure Budget.

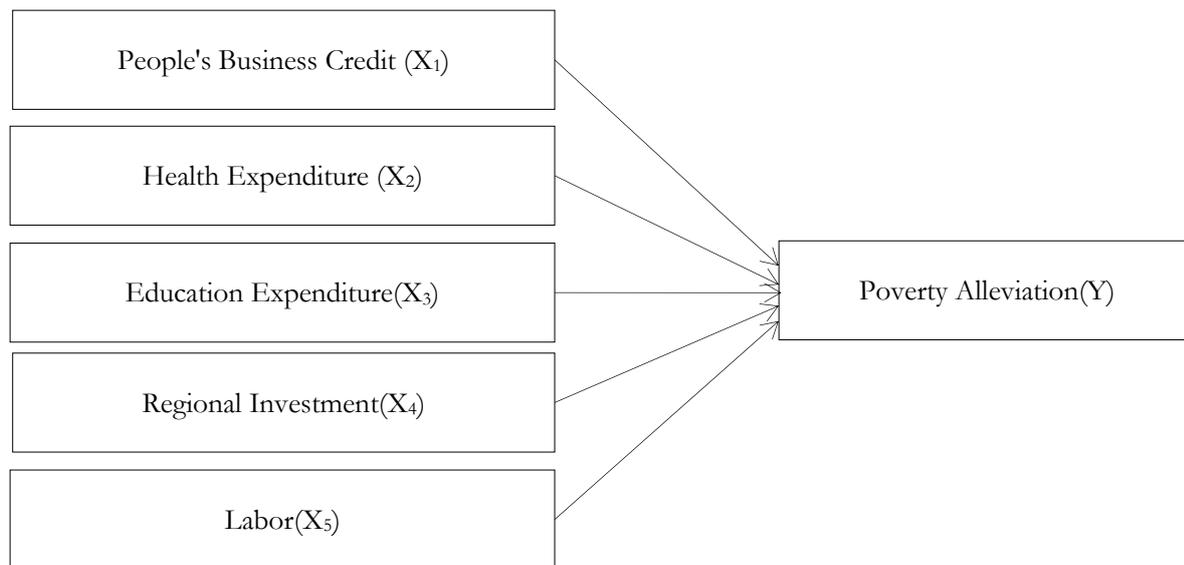
Investment is an investment for one or more assets that are owned and usually have a long term with the hope of getting benefits in the future. In this study, regional investment is measured by the amount of local government spending on investment contained in the Regional Budget.

### 6. Labor (X5)

According to the Manpower Act Number 13 of 2003, labor is anyone who is capable of doing work to produce goods and/or services both to meet their own needs and for the community.

According to the Manpower Act Number 13 of 2003, labor is anyone who is capable of doing work in order to produce goods and/or services both to meet their own needs and for the community. Labor is measured by the number of people who are already working.

Based on the relationships between the variables to be studied, the following framework can be made:



**Figure 1.** Model Framework

Based on the framework in Figure 1, the following hypothesis can be formulated:

H1: The People's Business Credit Program (KUR) affects poverty alleviation

H2: Health Expenditures affect poverty alleviation

H3: Education spending affects poverty alleviation

H4: Regional investment affects poverty alleviation

H5: Labor affects poverty alleviation

## Research Methods

The object of this research consists of the variables of People's Business Credit, health expenditure, education expenditure, regional investment, and labor and poverty. The research subjects were 15 districts/cities which were categorized as poor in Central Java Province which were the population and samples in this study.

This type of research is quantitative which aims to test hypotheses (hypotheses testing) (Sugiyono, 2018). The type of data used in this study is secondary data obtained from the Directorate General of Fiscal Balance, Ministry of Finance, namely data on realization of regional expenditures according to functions in the districts and cities of Central Java. Data on the number of poor people, People's Business Credit, health spending, education spending, regional investment, and the number of workers in 15 districts/cities in the poor category of Central Java Province are sourced from the Central Statistics Agency. The data used is the period 2017-2019.

The data collection method in this research is through literature study. Literature study is a technique for obtaining information through notes, literature, documentation and others that are still relevant to this research (Ghozali, 2018). The data used in this research is secondary data obtained in annual form from the Central Statistics Agency published on the official website [www.bps.go.id](http://www.bps.go.id) and the Directorate General of Fiscal Balance, Ministry of Finance, published through [www.djpb.kemenkeu.go.id](http://www.djpb.kemenkeu.go.id).

## Results and Discussion

The following is a description of the data that shows the average (mean) value and standard deviation of each variable in this study.

**Table 3.** Descriptive Statistics

	Mean	Std. Deviation	N
Y	,8381	,12446	44
X1	1,8809	,31801	44
X2	1,8765	,12451	44
X3	1,9314	,08880	44
X4	1,6358	,28717	44
X5	,9294	,10652	44

Source: Processed data, 2020

From table 3 it can be seen that the poverty variable (Y) with the amount of data (N) as much as 44 has an average value of 0.8381 and a standard deviation (level of data distribution) of 0.12446. The People's Business Credit variable (X1) with 44 data (N) has an average value of 1.8809 and a standard deviation of 0.31801. The health expenditure variable (X2) with the total data (N) of 44 has an average value of 1.8765 and a standard deviation of 0.12451. The education expenditure variable (X3) with the total data (N) of 44 has an average value of 1.9314 and a standard deviation of 0.08880. The regional investment variable (X4) with the amount of data (N) as much as 44 has an average value of 1.6358 and a standard deviation (level of data distribution) of 0.28717. The labor variable (X5) with the number of data (N) of 44 has an average value of 0.9294 and a standard deviation of 0.10652.

The standard deviation is a reflection of the average deviation of the data from the mean. Standard deviation describes how much variation in the data, where if the standard deviation value is greater than the mean value is a bad representation of the overall data. The greater the standard deviation, the more varied the actual variable values or the less accurate the research model. Meanwhile, the smaller the standard deviation, the more similar the actual variable values or the more accurate the research model will be. In this study, each variable has a standard deviation less than the mean so that it can be concluded that the research model is accurate to use.

### Classic Assumption Test

#### Normality test

The normality test using the Kolmogorov-Smirnov (K-S) non-parametric statistical test approach gives the following results.

**Table 4.** Normality Test Results

		Unstandardized Residual
N		44
Normal Parameters <sup>a,b</sup>	Mean	,0000000
	Std. Deviation	,03887381
Most Extreme Differences	Absolute	,080
	Positive	,080
	Negative	-,065
Test Statistic		,080
Asymp. Sig. (2-tailed)		,200 <sup>c,d</sup>

Source: Processed data, 2020

The test criterion is when Asymp. Sig. (2-tailed) > 0.05, the data is normally distributed. Based on table 4 the Asymp. Sig. (2-tailed) of 0.200 > 0.05, it can be seen that the data is normally distributed, so H<sub>0</sub> is accepted.

#### Multicollinearity test

The multicollinearity test results can be seen in the following table.

**Table 5.** Multicollinearity Test Results

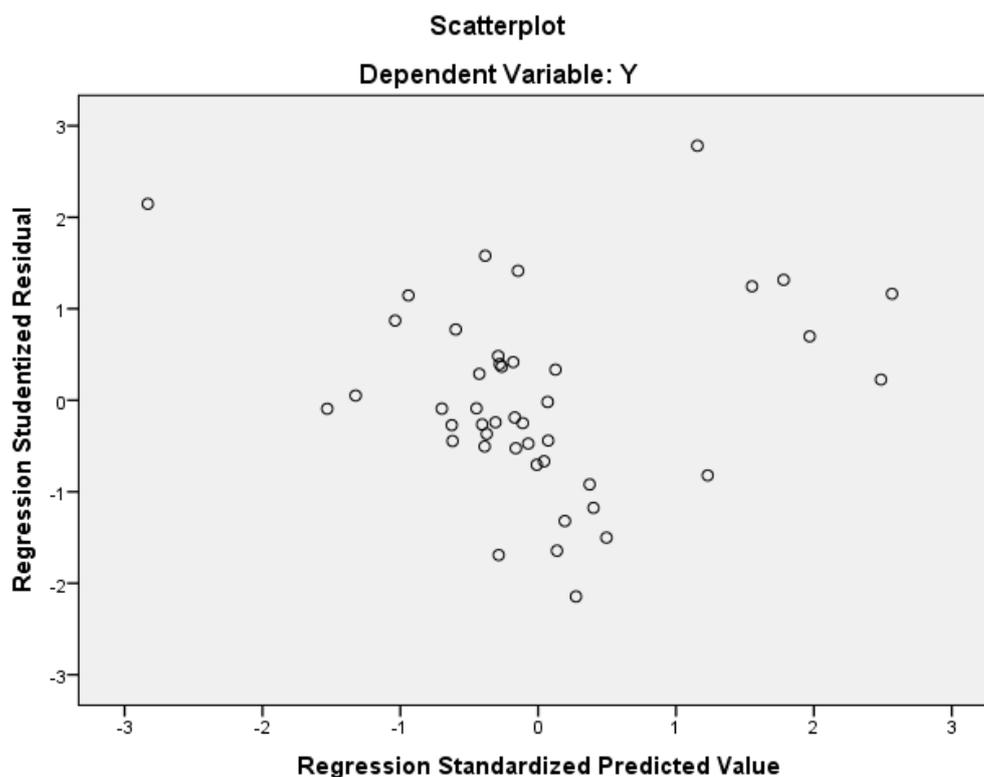
Model	Collinearity Statistics		
	Tolerance	VIF	
(Constant)			
1	X1	,723	1,383
	X2	,516	1,940
	X3	,208	4,815
	X4	,805	1,243
	X5	,243	4,113

Source: Processed data, 2020

Based on table 5, it can be seen that all independent variables, namely People’s Business Credit (X1), health expenditure (X2), education expenditure (X3), regional investment (X4), and labor (X5) have a tolerance value of more than 0.10 and a Variance value. Inflation Factors (VIF) is less than 10. Thus, it can be said that the model formed does not have multicollinearity symptoms between the independent variables in the regression model.

**Heteroscedasticity Test**

The heteroscedasticity test in this study was carried out by looking at the scatterplot graph between the bound values and their residuals.



Source: Processed data, 2020

**Figure 1.** Scatterplot graph

Based on Figure 1, the scatterplot graph shows that there is no certain pattern because the points spread irregularly above and below the zero axis on the Y axis. Therefore, it can be concluded that the data is free from heteroscedasticity.

**Autocorrelation test**

The results of the study using the Durbin-Watson test are as follows.

**Table 6.** Durbin-Watson Test Results

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate	Durbin-Watson
1	,950 <sup>a</sup>	,902	,890	,04135	2,085

Source: Processed data, 2020

Based on table 6, it shows that the Durbin-Watson value is 2.085. A test declared free of autocorrelation symptoms can be demonstrated using the result criteria  $du < d < 4-du$ . Based on the DW table with the amount of data ( $n = 44$ ) and the number of independent variables ( $k = 5$ ), the value of  $dl = 1.2769$ ,  $du = 1.7777$  and  $4-du = 2.2223$  is obtained. Then the results obtained are  $1.7777 < 2.085 < 2.2223$ , so that the results obtained indicate that the research data is free from autocorrelation symptoms.

### Multiple Linear Regression Analysis

Multiple linear regression analysis is used to test the effect of the independent variable on the dependent variable using the Ordinary Least Square (OLS) method. This analysis uses the SPSS 23 for Windows program. The following is a table of the results of the regression analysis, namely

**Table7.** Regression Analysis

Model	Unstandardized Coefficients		Standardized Coefficients	T	Sig.
	B	Std. Error	Beta		
(Constant)	,148	,184		,805	,426
1 X1	-,077	,023	-,196	-3,294	,002
X2	-,200	,071	-,200	-2,831	,007
X3	,022	,156	,016	,142	,888
X4	,019	,024	,044	,779	,441
X5	1,221	,120	1,045	10,173	,000

Source: Processed data, 2020

The results of multiple linear regression analysis that have been carried out obtained a constant value of 0.148, the regression coefficient for People's Business Credit (X1) is -0.077, the regression coefficient for health expenditure (X2) is -0.200, the regression coefficient for education expenditure (X3) is 0.022, the regression coefficient for regional investment (X4) is 0.019, and the regression coefficient for social protection spending (X5) is 1.221. The results of multiple linear regression analysis for the equation are as follows.

$$Y = \alpha + \beta_1 \text{Log}(X_1) + \beta_2 \text{Log}(X_2) + \beta_3 \text{Log}(X_3) + \beta_4 \text{Log}(X_4) + \beta_5 \text{Log}(X_5) + e$$

$$Y = 0,148 - 0,077 \text{Log}(X_1) - 0,200 \text{Log}(X_2) + 0,022 \text{Log}(X_3) + 0,019 \text{Log}(X_4) + 1,221 \text{Log}(X_5) + e$$

Information:

Y : Poverty (people)

$\alpha$  : Constant

X<sub>1</sub> : People's Business Credit (Rupiah)

X<sub>2</sub> : Health Expenditures (Rupiah)

X<sub>3</sub> : Education Expenditures (Rupiah)

X<sub>4</sub> : Regional Investment (Rupiah)

X<sub>5</sub> : Labor (people)

$\beta_1 - \beta_2$  : Multiple Regression Coefficient

e : Error factor

### Coefficient of Determination (R<sup>2</sup>)

The coefficient of determination used in this study is the adjusted R2 value (adjusted R2) to evaluate which is the best regression model. The adjusted R2 value generated in this study can be seen in the following table.

**Table 8.** Analysis of the coefficient of determination

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate	Durbin-Watson
1	,950 <sup>a</sup>	,902	,890	,04135	2,085

Source: Processed data, 2020

Based on the results of the determination coefficient test, it appears that the Adjusted R Square coefficient of determination is 0.890. This shows that the influence of the dependent variable on poverty which is explained by this equation model is 89%, while the remaining 11% is influenced by other factors outside the research variable.

### F Test

The results of the F statistical test can be shown in the following table.

**Table 9.** F Test Results

Model	Sum of Squares	df	Mean Square	F	Sig.
1 Regression	,601	5	,120	70,309	,000 <sup>b</sup>
Residual	,065	38	,002		
Total	,666	43			

a. Dependent Variable: Y

b. Predictors: (Constant), X1, X2, X3, X4, X5

Source: Processed data, 2020

Based on table 9 it is known that the F statistical value is 70.309 with a sig. amounting to 0,000 which means smaller than the  $\alpha$  value of the test ( $0.0000 < 0.05$ ). It can be concluded that H0 in the hypothesis is rejected. Thus, simultaneously the People’s Business Credit variable, health expenditure, education expenditure, regional investment and labor have a significant effect on the poverty variable.

### t Test

The results of the partial regression test can be seen in the following table.

**Table 10.** T test results

Model	Unstandardized Coefficients		Standardized Coefficients	T	Sig.
	B	Std. Error	Beta		
(Constant)	,148	,184		,805	,426
X1	-,077	,023	-,196	-3,294	,002
X2	-,200	,071	-,200	-2,831	,007
X3	,022	,156	,016	,142	,888
X4	,019	,024	,044	,779	,441
X5	1,221	,120	1,045	10,173	,000

Source: Processed data, 2020

Based on table 10, the variable People’s Business Credit (X1), health expenditure (X2), and labor (X5) have a probability value smaller than 0.05, so it can be concluded that they have an effect

on poverty. Regional education spending and investment variables have no effect on poverty because they have a probability value greater than 0.05.

### **The effect of people's business credit on poverty alleviation**

People's Business Credit plays a role in increasing the income of the poor, especially those planning to do business that requires capital. The People's Business Credit program is utilized by Micro, Small, Medium Enterprises and cooperatives to increase business capital, increase production, and increase human resources. If Micro, Small, Medium Enterprises continue to develop, they can absorb a lot of labor, especially the poor, so they can get income to meet their family needs.

People's Business Credit is also very beneficial for the Regency/City of Central Java. Local governments benefit from People's Business Credit such as the achievement of real sector development and economic growth. Therefore, the pro growth policy through People's Business Credit is successful in empowering Micro, Small, Medium Enterprises which can alleviate poverty, expand employment opportunities, and community welfare.

The results of this study are in line with research conducted by Iztihar and Ashar (2018) in Indonesia which results in People's Business Credit having a negative and significant effect on reducing the number of poor people. People's Business Credit plays a role in increasing the income of the poor, especially those planning to run businesses that require capital. The People's Business Credit Program is utilized by Micro, Small, Medium Enterprises and cooperatives to increase business capital, increase production, and increase human resources. If Micro, Small, Medium Enterprises continue to grow, they can absorb a lot of workforce, especially the poor, so they can get income to meet their family needs.

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### **The effect of health expenditure on poverty alleviation**

The results showed that the greater the increase in health expenditure, the more influential it is to the amount of poverty alleviation in the Regency/City of Central Java. This means that pro-poor policies are able to realize the health budget properly aimed at the poor by improving services and community welfare.

The poor usually face the problem of limited access to health services so that they have low resistance to diseases that can affect their continuity of work and earning a living. If the work resistance is low, their productivity will also be low and it can have an impact on the smaller income they earn. Therefore, government spending in the health sector which is aimed at the poorest groups is very important, through the provision of cheap or free health services, improved nutrition, stunting, maintenance of clean water facilities sanitation, spraying/fogging activities, immunization, prevention of disease outbreaks, and increase the number of health centers so that they are easily accessible to the poor, both by distance and price.

With an increase in access of the poor to health services, the quality of their health will improve and as workers will be able to work more productively. Furthermore, with high productivity, it is expected that the income earned will also increase. This will make their average expenditure closer to the poverty line.

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The results of this study are in line with research conducted by Mardiana et al. (2017) in East Kalimantan Province, where the result is that health spending has a negative and significant effect on reducing the poverty level. Wahyudi's research (2011) in Central Java Province also has the same result where health spending has a negative and significant effect on poverty.

### **The effect of education expenditure on poverty alleviation**

Education sector expenditure has a negative and insignificant impact on poverty because government spending in the education sector is not well targeted in assisting the poor in obtaining proper education.

Based on the results of this study, for the Regency/City of Central Java, the education expenditure budget spent was still insufficient for activities that the poor could feel the benefits of. This is because local governments must implement the money follow function principle, which requires funding for the provision of basic education in advance, such as teacher salaries, administrative costs and school operations are the responsibility of the region. Many local governments have exhausted their education budget for this, so the budget used for pro-poor policies such as assistance to underprivileged students and scholarships for school dropouts is still insufficient. Even though with the existence of scholarships or partial reduction in education costs by the government, the income of poor families can be spent on other basic necessities of life and allow them to move out of the poverty line.

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### **The effect of regional investment on poverty alleviation**

Regional investments issued by districts that are classified as poor in Central Java Province are not the main effort of local governments to reduce the number of poor people. Investment planning must be done properly so that it can determine the types of potential investment and potential investments that can be implemented later. However, the investment spent is greater for capital intensive than for labor intensive. Capital-intensive investment in the tertiary sector (non-tradable) is only able to absorb a few of the many workers in Central Java. Therefore, this effort has not been able to increase people's income in reducing the poverty rate faced.

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The results of this study are in line with research conducted by Hamzah et al (2019) in Jember Regency, where the results of investment have no effect and have a positive relationship to the decrease in the number of poor people. This is because the benefits of investing through pro-job policies cannot be felt directly and evenly to fulfill the welfare of the community, and it takes years of process to feel the benefits.

### **The effect of labor on poverty alleviation**

The results of this study indicate that labor and poverty have a positive relationship, which means that the greater the number of workers can increase the number of poor people. This is because many poor families who work generate income, even regular income, but their income is very low which is influenced by their low work productivity (Utama & Kustiani, 2012).

According to Sudiharta and Sutrisna (2014: 433) low labor productivity is one of the causes of poverty. The implementation of the minimum wage policy is an effort to increase labor productivity so that the average wage rate of workers can increase. The districts/cities of Central Java tested in this study have low minimum wages. The low minimum wage cannot meet the needs of the community which continues to increase. Even though the poor work for low wages, they cannot move themselves out of the poverty line (Syamsuri & Bandiyono, 2018).

Workforce growth is faster than employment growth. Local governments are still low in utilizing excess labor. This is due to the low quality of human resources as a result of low levels of education and low job competence. The high number of labor absorption can be influenced by several factors, such as local government spending as measured by the total direct expenditure and indirect expenditure allocated in the regional budget. The greater the productive regional government expenditure, the greater the economic level of a region. However, the reality according to Soleh (2017: 89) shows that many job training programs organized by local governments have not run optimally and are not relevant to the needs of the business world. The pro job policy has not been implemented optimally.

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The results of this study are in line with those carried out by Nuraini (2010) and Sudiharta and Sutrisna (2014) which state that labor has a positive effect on community poverty. Workforce growth is faster than employment growth. Local governments are still low in utilizing excess labor.

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## Implication and Conclusion

Based on the results of the research and discussion that has been done, the following conclusions can be drawn.

1. The variable of People's Business Credit has an effect on poverty alleviation.
2. The variable of Health Expenditure affect poverty alleviation.
3. The variable of Education Expenditure does not affect poverty alleviation.
4. The variable of Regional investment do not affect poverty alleviation.
5. The variable of Labor affects poverty alleviation.

Implication for this research are:

1. For Local Government  
The accuracy in implementing the triple track strategy policy will affect the poor in improving the welfare of their families so that local governments need to optimize the realization of triple track strategy policy components such as regional spending, regional investment, People's Business Credit in order to alleviate poverty in Indonesia in particular. Central Java
2. For further researchers  
Further researchers can expand the object of research and add other variables that have not been included in this research.

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