The Influence Of Inflation, Per Capita Income And Economic Growth Against Jambi Province Poverty

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Sections Info	ABSTRACT
Keywords: *Inflation* *economic growth* *development resources* *per capita income*	*Objective: Inflation, per capita income and economic growth are things that can influence poverty. To overcome the problem of poverty, strategies must be chosen that can strengthen the role and position of the people's economy in the national economy, so that structural changes occur which include allocating resources, strengthening institutions, empowering human resources. The chosen program must support and empower the community through economic development and improving the people's economy.* *This program must be realized in strategic steps that are directed directly at expanding poor people's access to development resources and creating opportunities for the lowest levels of society to participate in the development process, so that they are able to overcome their conditions of backwardness. This poverty problem is not a new problem, which affects almost every province in Indonesia, one of which includes Jambi Province. The problem in Jambi Province is that the poverty rate is still high. Simultaneously inflation, per capita income and economic growth have a significant effect on the poverty level in Jambi province, it is known that the Fcount value is 4.231> the F table value is 8.76 with a p-value of 0.042 which is smaller than 0.05%, so H0 is rejected. This means that if tested together, economic growth, inflation and per capita income have a significant effect on poverty. Based on the results of the influence validity test (t test) which was carried out to determine the significance and influence of the independent variables.*

INTRODUCTION

Poverty is a complex problem that is influenced by various interrelated factors, including the level of community income, unemployment, health, education, access to goods and services, geographic location, and the environment. According to Emil Salim, poverty is a situation where people or populations cannot fulfill their basic needs and they are said to be below the poverty line if their income is not enough to meet their most basic needs. The problem of poverty is a multidimensional problem. Therefore, poverty alleviation efforts must be carried out in a comprehensive manner that covers various aspects of community life and is carried out in an integrated manner.

Poverty is an important problem today in Indonesia, especially in Jambi Province. Therefore, good poverty data can be used to evaluate government policies towards poverty, compare poverty across time and regions, and target the poor with the aim of improving their quality of life. Poverty is a social problem that is always present in the midst of society, especially in developing countries. Developing countries are included in the poverty circle theory because of low productivity, which is related to low product income, and only enough to meet minimum consumption needs so that they cannot save because initial capital formation is from savings and is also the formation of community capital. The problem of poverty is also a social problem that is always relevant to be studied continuously. Not because the problem of poverty has existed for a long time, but also because the problem of poverty has not been resolved and even

now the symptoms are increasing in line with the multidimensional crisis that is still faced by the Indonesian nation. Poverty is characterized by underdevelopment and unemployment, which then increases to trigger income inequality and inequality between population groups. Poverty can be understood as a situation where there is a lack of goods and money to ensure human survival.

To overcome the problem of poverty, strategies must be chosen that can strengthen the role and position of the people's economy in the people's economy in the national economy, so that structural changes occur, including resource allocation, institutional strengthening, and human resource empowerment. The chosen program must favor and empower the community through economic development and improvement of the people's economy. This program must be realized in strategic measures that are directed directly at expanding the access of the poor to development resources and creating opportunities for the lowest level of society to participate in the development process, so that they are able to overcome their conditions of underdevelopment.

This poverty problem is not a new problem, affecting almost every province in Indonesia, one of which includes Jambi Province. The problem in Jambi Province is that the poverty rate is still high, as for the description of the development of poverty in the Jambi Provincial Government from 2009 - 2023.

Based on data sourced from BPS, which is seen from the population below the poverty line (Absolute Poverty) above, it is found that there is an increase in the number of poor people in 2020-2023 with an average level of 276,663 thousand people, with the highest poverty rate in 2015 of 300,710 thousand people, and the lowest poverty rate in 2009 of 245,000 thousand people. The increase in the number of poor people occurred due to the impact of the Covid-19 pandemic.

The poverty alleviation budget has a negative impact on poverty. In addition, the poverty alleviation budget serves as a strategic foundation for allocating resources to achieve sustainable development goals. However, despite significant efforts in allocating funds to address poverty, data shows that there are still challenges in controlling the number of poor people. This is in line with the fact that poverty alleviation budgets have proven to be ineffective in tackling the problem of poverty, suggesting that poverty alleviation programs still require evaluation and improvement. External factors such as economic changes and the impact of the Covid-19 pandemic are also challenges for the government in alleviating poverty (Singh & Chudasama, 2020) .

 (Sudirman, Alhudori 2018) said that in actual economic activities economic growth means the fiscal development of goods and services prevailing in a country, such as the production of industrial goods, the development of infrastructure, the increase in the number of schools, the increase in the production of capital goods. Therefore, to give a rough idea of the economic growth achieved by a country, the measure always used is the growth rate of real national income achieved. It can be said that growth involves developments that are single-dimensional and measured by increasing production and income. The economic growth of Jambi Province has a significant effect on poverty reduction. Economic growth in Jambi Province is still quite good, because inflation still occurs.

 The next factor that affects poverty is inflation. According to Wibowo (2017:33) Inflation is a condition in which the economy occurs occasionally and continuously

with an increasing general price level. Therefore, inflation leads to lower real income levels and a decrease in people's purchasing power.

Inflation is one of the major macroeconomic ills as it negatively affects a wide range of economic performance. inflation is one of the economic problems that has received much attention from economic thinkers. Inflation is the general and continuous tendency of prices to rise. A rise in the price of just one or two commodities is not called inflation. It is also necessary to watch out for sustained price increases because seasonal price increases that occur before a big day or that occur only once and have no long-term effects are not called inflation. Annual inflation increases high unemployment and affects people's living standards and welfare.

Poverty levels are affected by a number of variables, including per capita income. Per capita income can be used to determine the average income per person to determine the average income per person to evaluate the standard of living and quality of life of the population which is the quotient between GRDP and mid-year population.

Based on the above problems, researchers are interested in conducting research on **"The Effect of Inflation, Per Capita Income and Economic Growth, on Poverty in Jambi Province "**.

RESEARCH METHOD

The research method used in this research is the Quantitative method, a method based on the philosophy of positivism, used to research on certain populations or samples, data collection using analysis and is quantitative / statistical, with the aim of testing predetermined hypotheses (Sugiyono, 2018). The type of data used in this study comes from secondary data. Secondary data is data obtained from books, records, magazines in the form of publication financial reports, articles, books, as theories and others (Sugiyono, 2019). Obtain research indirectly through media roles (obtained or recorded by other parties). The data sources collected in this study were obtained from bank Indonesia publication data (BPS Jambi Province).

The model used in this study is multiple linear regression. This analysis is used to determine the extent of the influence of the independent variables Inflation (X_1), Per Capita Income (X_2) and Economic Growth (X_3) on the dependent variable Poverty level (Y). This is because most economic analysis is closely related to time series analysis.

In this study using the general form of the equation of multiple linear regression analysis is as follows (Ghozali, 2011: 161):

$$Y = \alpha + \beta_1 X_1 + \beta_2 X_2 + \beta_3 X_3 + e$$

Description:

Y : Poverty Level

α : Constant

β_{1-2-2} : Regression Coefficient

X_1: Inflation

X_2: Income per capita

X_3: Economic growth

e : Confounding factor (*Error*)

RESULTS AND DISCUSSION

Calculation of the t test can be seen the results of partial testing of each independent variable (Inflation, per capita income and economic growth) partially on the dependent variable (Poverty) can be analyzed as follows:

1. The effect of inflation with poverty obtained coefficient value is -0.649 is greater than the level α = 0.05 (-0.649 < 0.05). This is also indicated by the value of tcount = -0.649 and the value of ttable with a significant level of 5% (0.05) is ttable = 2.20099, so that tcount < ttable (- 0.649 < 2, 20099). From these results, it can be concluded that the inflation variable has no effect on poverty in Jambi Province.
2. The effect of per capita income on Poverty is known from the coefficient of per capita income. This is also indicated by the tcount value = 3, 793 and the ttable value with a significant level of 5% (0.05) is ttable = 2.20099 so that tcount> ttable (3, 793> 2, 20099). From these results, it can be concluded that the per capita income variable has a significant effect on the poverty variable in Jambi Province.
3. The effect of economic growth on poverty obtained a tcount value = 0.249 and the ttable value with a significant level of 5% (0.05) is ttable = 2.20099 so that tcount < ttable (0.0249 < 2.20099). From these results, it can be concluded that the economic growth variable has no significant effect on poverty in Jambi Province.

Based on the results of research on the simultaneous influence of X1, X2 and X3 on Y in Jambi Province. It can be seen from the Fcount value greater than the Fcount value of 4.231> Ftable value of 8.76 with a p-value of 0.042 smaller than 0.05%, then H0 is rejected. This means that if tested together economic growth, inflation, and per capita income affect Poverty in Jambi Province.

Based on data analysis and discussion on the study, the probability value of F statistics in this study is 0.002995. In other words, the F probability of 0.002995 < α (0.05), it can be concluded that simultaneously the positive influence between the independent variables (Inflation, per capita income and economic growth) simultaneously on the dependent variable (Poverty in Jambi province). These results indicate that the hypothesis of this study is inflation, per capita income and economic growth on poverty in Jambi Province.

The effect of economic growth on poverty in Jambi Province The results of testing the first hypothesis obtained the tcount value = 0.084 and the ttable value with a significant level of 5% (0.05) is ttable = 2.11991 so that tcount> ttable (0.084 < 2.119991). From these results, it can be concluded that the economic growth variable has no significant effect on poverty in Jambi Province. This is not in line with existing theory because increased economic growth has not been able to solve the increase in poverty that has occurred, meaning that the labor absorption sector has only contributed a little to the increase in economic growth. This is because in Jambi Province the control of assets is dominated by certain circles and this does not have an effect on the community as a whole. This situation is not the same as the results of Nadia ika purnama's research, whose research is entitled the effect of economic growth on poverty levels in South Sumatra, from the

results of this study indicate that the economic growth variable has a positive and significant effect on the poverty variable. This research is in line with that conducted by novegya Ratih 2018 entitled "the effect of economic growth, inflation and unemployment on poverty rates in South Sumatra" partially economic growth has no significant effect in general it has increased this has an effect on the poverty rate which has decreased from year to year. This research is not in line with that done by A.Idham in 2012 entitled "the effect of economic growth on the level of poverty in South Sumatra can be concluded that economic growth has a significant effect on the poverty rate where the coefficient of determination is 0.051 or 5.1%.

The results of testing the first hypothesis about inflation on the poverty rate in Jambi province the coefficient value is 0.307 which is greater than the level α = 0.05 (0.307> 0.05). This is also indicated by the value of tcount = 0.307 and the value of ttable with a significant level of 5% (0.05) is ttable = 2.11991, so that tcount < ttable (0.307 < 2.11991). From these results, it can be concluded that the inflation variable has an effect on Poverty in Jambi Province. This is not in line with the theory that there are only two regions that are indicators of Inflation, namely Jambi City and Muaro Bungo, Inflation conditions in these two cities do not represent Inflation conditions in Jambi Province as a whole. This is not in line with the theory that inflation has a positive effect on the poverty rate. Inflation has a negative effect on the poverty rate can be explained in the research of Setyo Novianto (2018). In the study, it is explained that inflation is a macroeconomic determinant for changes in poverty conditions in a country. Economic growth followed by improvements in income distribution among income recipient groups can increase people's purchasing power, increase per capita consumption expenditure, so that when inflation rises people's purchasing power will not fall and the poverty rate in a country or region can be reduced.This research is in line with that conducted by Novegya Ratih 2018 entitled "the effect of economic growth, inflation and unemployment on poverty rates in South Sumatra" has an insignificant effect on poverty rates the results of this study are in line with those put forward by Mankiw This research is in line with that conducted by Meinny Kolibu 2020 entitled "the effect of economic growth, inflation, investment and open unemployment rates on poverty rates in North Sulawesi" the results of inflation have no significant effect on poverty rates in North Sulawesi.

The results of testing the first hypothesis about per capita income in Jambi province with the coefficient value of per capita income It is also indicated by the tcount value = -1.931 and the ttable value with a significant level of 5% (0.05) is ttable = -, so that tcount < ttable (-2.931 < 2.11991). From these results, it can be concluded that the education level variable has a significant effect on the poverty variable in Jambi Province.

CONCLUSIONS

Simultaneously economic growth, inflation and per capita income have a significant effect on the poverty rate in Jambi province, it is known that the Fcount value is 4.231> Ftable value of 8.76 with a p-value of 0.042 smaller than 0.05%, then H0 is rejected. This means that if tested together economic growth, inflation, and per capita income have a significant effect on poverty.

Based on the results of the validity test of the effect (t test) conducted to determine the significance and whether or not the influence of the independent variables.

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