

Analysis of the Capability, Effectiveness, and Independence of Regional Financial on Gross Regional Domestic Products and Poverty in East Kalimantan

Indra Prasetya Nugraha¹, Diana Lestari², Siti Amalia³

^{1,2,3}Magister of Economics, Faculty of Economics and Business, Mulawarman University. Samarinda, East Kalimantan, Indonesia.

ABSTRACT

The purpose of this research is to examine and identify the direct impact of regional financial capacity, efficiency, and autonomy on the gross regional domestic product in East Kalimantan. Analyze the immediate impact of the region's financial capacity, efficacy, and independence on poverty in East Kalimantan. Examine the direct impact of the gross regional domestic product on poverty rates in East Kalimantan. analyze and evaluate how East Kalimantan's gross regional domestic product mediates the indirect effects of a region's financial capacity, effectiveness, and independence on poverty. This study employs a descriptive correlational design with a cross-sectional method. Panel data were collected from ten districts and cities between 2018 and 2022 using a time series approach. Methods for gathering data through the evaluation of literary works. Data analysis using route analysis, which incorporates multiple linear regression, in the context of economic modeling. The study's findings indicate that the region's financial capabilities have a direct and considerable impact on the Gross Regional Domestic Product (GRDP) in East Kalimantan. On the other hand, the impact of regional financial effectiveness on GRDP in East Kalimantan is both positive and statistically insignificant. Similarly, regional financial independence has a direct but statistically minor impact on East Kalimantan's Gross Regional Domestic Product (GRDP). The number of financial resources and the effectiveness of financial operations at the regional level have a direct and considerable impact on poverty rates in East Kalimantan. In contrast, establishing financial independence in a specific area has a big and detrimental impact on poverty in East Kalimantan. The Gross Regional Domestic Product (GRDP) has a substantial impact on poverty levels in East Kalimantan. The competence, effectiveness, and independence of regional finances have an impact on the Gross Regional Domestic Product, which in turn affects the relationship between regional finances and poverty in East Kalimantan.

Keywords: Capability, Effectiveness, Independence, Gross Regional Domestic Product, Poverty.

INTRODUCTION

To achieve a just and prosperous society based on national development goals, the Indonesian government prioritizes poverty reduction in its national development policy. Poverty reduction measures are included in the 2020–2024 Medium-Term Development Plan (RPJM) under Presidential Regulation Number 18 of

2020, which governs the 2020–2024 National Medium-Term Development Plan. They serve as a reference point for ministries, agencies, and local governments as they implement annual development plans. Several programs in the 2020–2024 RPJM are expected to reduce poverty.

Poverty, often known as absolute poverty, is the situation in which a citizen or a subset of the population can only afford the food, clothing, and shelter needed to maintain a basic level of life. The Copenhagen Declaration defines absolute poverty as a lack of basic human needs such as food, safe drinking water, sanitation facilities, health, housing, education, and information. Absolute poverty occurs when a person's income falls below a certain threshold (Todaro, 2017: 19).

The poverty rate in East Kalimantan Province increased from 2019 to 2021 but fell by only 0.1% in 2022. The results reveal that as economic growth slows, poverty rises. The poverty line per household represents the average minimum rupiah value that households must spend to cover their requirements to avoid being classified as poor. In East Kalimantan Province, the average poverty line for households in 2022 is IDR 3,571,758 per month. The issue of poverty in East Kalimantan Province is more than just the number and proportion of poor people. Another factor to examine is the level and severity of poverty. The poverty depth index measures each poor person's average spending gap compared to the poverty line. The poverty severity index offers an overview of the distribution of expenditure among the poor (BPS East Kalimantan, 2022).

East Kalimantan Province's poverty rate remains lower than the national poverty rate of 9.54%, ranking tenth in Indonesia. Meanwhile, East Kalimantan Province continues to face a huge poverty imbalance between urban and rural areas. Poverty can be caused by a lack of education, working in the informal sector for poor earnings, living in substandard settlements, a lack of job stability, and limited access to basic amenities. Poverty might be one of the root reasons for criminal activity. This is because disadvantaged people choose to achieve their necessities by any means, even criminality (BPS East Kalimantan, 2022).

Poverty and GDP are connected. GDP is considered successful if there is a long-term gain in real income not accompanied by an increase in the number of impoverished people or income inequality (Alisha, 2021: 581). GDP is an issue for a country's economy in the long term. GDP is widely cited as an indicator of a country's economic success in serving its citizens' demands. However, certain countries in the world find it difficult to increase their GDP. Problems that are typically experienced by some countries, such as high levels of poverty, low quality of health services, short life expectancy, low level of education, and economic disparity, frequently occur in developing and undeveloped countries, which will have an impact on the country's low GDP (Todaro, 2017: 18).

GDP is a process that improves a country's economic conditions. According to Kuznet in Jhingan (2014: 57), GDP is a long-term development in a country's ability to deliver more and more sorts of economic products to its population. This capability grows in response to technological advances as well as the institutional and ideological reforms required. GDP compares the performance of economic development from one period to the next. Increasing aggregate output (goods and services) or GDP each year can boost economic growth.

GRDP is one of the measures used to calculate the regional economic growth rate. The reasons for using GRDP as an indicator of regional economic growth include, among other things, the fact that GDP is the sum of value added generated by all economic activities, the fact that GDP is calculated based on the flow of goods and services in and factors of production over a given period, and the fact that GRDP concerns the results of overall economic activity in a region. One of the four primary goals of macroeconomic policy

is to promote rapid economic growth. Gross Domestic Product (GDP) is a measure of the market value of output in the form of products and services created by production elements such as land, labor, and capital produced by a country during a specific period (Case and Fair, 2014: 162).

GRDP in a region is the responsibility of the local government. The financial balance between the central government and local governments makes the sources of financial revenue managed by the regions as much as possible the responsibility of local governments. Regional financial management sourced from local revenues (LOR), balancing funds, and other revenues must be accounted for (Prakoso, 2019: 87).

According to preliminary studies in East Kalimantan Province, the Regency / City GRDP Based on Constant Prices (Million Rupiah) was 464,694,426.73 million rupiahs in 2018, 486,523,182.21 million rupiahs in 2019, 472,393,329.37 million rupiahs in 2020, 484,438,884.39 million rupiah in 2021, and 506,158,907.31 million rupiahs in 2022 (BPS East Kalimantan, 2022). This statistic illustrates an increase in GRDP between 2018 and 2022. Poverty can be caused by both the COVID-19 epidemic and governments that are less capable, effective, and independent in the financial sector. According to data from the original regional income of East Kalimantan Province, in 2019 it was IDR 560,444,857,362.80, in 2020 it was IDR 485,189,493,721.33, in 2021 it was IDR 573,726,380,356.71, and in 2022 it was IDR 746,441,991,060.82. This data demonstrates that municipal revenues decreased in 2020 and climbed again in 2021-2022.

Based on the previous description, researchers are interested in researching "Analysis of the Capability, Effectiveness, and Independence of Regional Financial on GRDP and Poverty in East Kalimantan".

Problem Statements

1. Does the regional financial capability directly affect GRDP in East Kalimantan?
2. Does the effectiveness of regional finance directly affect the GRDP in East Kalimantan?
3. Does regional financial independence directly affect GRDP in East Kalimantan?
4. Does the local financial capability directly affect poverty in East Kalimantan?
5. Does the effectiveness of local finances directly affect poverty in East Kalimantan?
6. Does the regional financial independence directly affect poverty in East Kalimantan?
7. Does GRDP directly affect poverty in East Kalimantan?
8. Does the regional financial capability indirectly affect poverty mediated by GRDP in East Kalimantan?
9. Does the regional financial effectiveness indirectly affect poverty mediated by GRDP in East Kalimantan?
10. Does regional financial independence indirectly affect poverty mediated by GRDP in East Kalimantan?

Research Objectives

1. Analyze and examine the direct effect of regional financial capability on GRDP in East Kalimantan.
2. Analyze and examine the direct effect of regional financial effectiveness on GRDP in East Kalimantan.
3. Analyze and examine the direct effect of regional financial independence on GRDP in East Kalimantan.
4. Analyze and examine the direct effect of regional financial capability on poverty in East Kalimantan.
5. Analyze and examine the direct effect of regional financial effectiveness on poverty in East Kalimantan.
6. Analyze and examine the direct effect of regional financial independence on poverty in East Kalimantan.
7. Analyze and examine the direct effect of GRDP on poverty in East Kalimantan.

8. Analyze and determine the indirect effect of regional financial capability on poverty mediated by GRDP in East Kalimantan.
9. Analyze and determine the indirect effect of regional financial effectiveness on poverty mediated by GRDP in East Kalimantan.
10. Analyze and determine the indirect effect of regional financial independence on poverty mediated by GRDP in East Kalimantan.

Research Benefits

1. For local governments, this research is expected to provide evaluation and input to increase GRDP and reduce poverty by looking at capability and effectiveness as well as regional financial independence.
2. For the community, this research is expected to provide information and knowledge about GRDP and poverty in East Kalimantan.
3. For academics, increasing knowledge about the analysis of the capability and effectiveness as well as regional financial independence on GRDP and poverty.

LITERATURE REVIEW

Poverty

Poverty is defined as the inability to meet an area's average standard of living due to economic constraints. This condition of inability is defined by a lack of income to meet basic requirements such as food, clothing, and shelter. This low-income ability will also limit your ability to achieve average living standards such as public health and education norms. The state of poor individuals can be known based on the ability of income to meet living standards (Nugroho, 2018: 2).

Gross Regional Domestic Product (GRDP)

According to Tarigan in Akhmad (2020: 13), Gross Regional Domestic Product (GRDP) is the amount of gross added value arising from all economic sectors in a region. According to the Central Bureau of Statistics (BPS) of East Kalimantan Province (2022: 1), Gross Regional Domestic Product (GRDP) is the Gross Added Value (GAV) of all goods and services created or produced in a country's domestic territory arising from various economic activities in a certain period regardless of whether residents or non-residents own the production factors.

Public Sector Financial Accounting

According to Mardiasmo (2018: 19), public sector accounting is a process of collecting, recording, classifying, analyzing, and making reports on financial transactions in public organizations in providing financial information to parties who need it for policy making.

Local Government Financial Statements

Through Government Regulation Number 24 of 2005 concerning Government Accounting Standards, it is explained that the components of local government financial statements are:

1. The Budget Realization Report is the financial condition of central/local governments with State Budget compliance, consisting of an overview of sources, applications, and financial management within a year.
2. Depicted financial position through balance sheet in the form of assets, debt/liabilities, and capital/equity in the related period.
3. There is an explanatory note of analysis on each post presented in the Budget Realization Report, Balance Sheet, and Cash Flow. Information on policies in reporting according to applicable standards is also included so that a good presentation is produced.

Local Own Revenue Analysis

Nordiawan (2016:181) stated that the Local Own Revenue is a levy from the region, a tax from the region, an income whose management is on the ownership of the area carried out by separation or other legal income.

Local Own Revenue (LOR) Analysis Ratio

Ratios in Local Own Revenue analysis can be used include:

1. Regional Financial Capability

Regional financial capability refers to the ability of regional finances to fund household expenses, particularly those derived from local original income. Local governments place a high value on locally generated revenue. To ensure the implementation of regional autonomy, efforts must be made to boost financial competence through increased local revenue. Improving local revenue can be done by improving the acceptance of existing local revenue sources or by exploring new local revenue sources under existing provisions and paying regard to the community's economic status and potential (Halim, 2017: 91).

2. Regional Financial Effectiveness

Mardiasmo (2018: 132) defined the region's financial effectiveness ratio as a measure that seeks to identify whether or not the goals and targets set are met. As a result, this ratio provides information on the relationship between output and achievement targets. It is deemed effective if the outcomes of the activity meet the objectives that have been set.

3. Regional Financial Independence

The independence ratio measures a region's ability to self-finance activities such as development and the provision of public services to the community by paying taxes and levies or other sources of regional income. The high ratio of regional independence to external support (particularly central and provincial) will be lower, and vice versa. This ratio demonstrates the participation of the general population in development (Halim, 2017: 232).

RESEARCH METHODS

Research Design

The design of this study is descriptive correlative using a *cross-sectional approach*.

Operational Definitions

Table 1. Operational Definition of Independent Variables (X)

No	Independent Variables	Operational Definition	Formula
1	Capability (X1)	Regional financial capability or the Degree of Fiscal Decentralization (DFD) is a region capability of increasing Local revenue for development financing, with the central involvement in preparing regional autonomy in East Kalimantan Province for the 2018-2022 period	$DFD = \frac{\text{Local Own Revenue}}{\text{Total Local Revenues}}$
2	Effectiveness	The effectiveness of Local Own	

No	Independent Variables	Operational Definition	Formula
	(X2)	Revenue is the ability of a region to mobilize the receipt of LOR based on targets made in East Kalimantan Province for the 2018-2022 period	$\text{Eff} = \frac{\text{LOR Realization}}{\text{LOR Target}} \times 100\%$
3	Independence (X3)	The independence ratio is the level of ability of a region in self-financing activities in the form of development and providing public services to the community through the payment of taxes and levies or sources of regional income in East Kalimantan Province for the 2018-2022 period	$\text{Indep} = \frac{\text{LOR}}{\text{Central Transfer}} \times 100\%$

Table 2. Operational Definition of Dependent Variable (Y)

No	Dependent Variables	Operational Definition	Formula
1	GRDP (Y1)	Economic conditions in East Kalimantan Province for the 2018-2022 period based on constant prices	District / City GRDP on a Constant Price Basis (Million Rupiah)
2	Poverty (Y2)	A condition of income inability to meet basic needs and other needs that can ensure the fulfillment of quality-of-life standards in East Kalimantan Province for the 2018-2022 period	The poverty rate in percent

Research Reach

This study focuses on East Kalimantan's competency, efficacy, regional financial independence, GRDP, and poverty from 2018 to 2022. The data used is in the form of panel data from ten districts or cities using a time series approach.

Data Sources

This analysis employs secondary data from the Central Bureau of Statistics (BPS) of East Kalimantan Province in the form of Local Own Revenue (LOR), Financial Transfer, and Total Regional Revenue of East Kalimantan Province for 2018-2022, East Kalimantan Province LOR Realization and Target data for 2018-2022, East Kalimantan Province GRDP data for 2018-2022, and East Kalimantan Province poverty rate data for 2018-2022.

Data Required

The data needed to obtain a clear picture of the problem and its solution facilitate discussion and complete the purpose of this writing are as follows:

1. Overview of East Kalimantan Province in 2022.
2. Data on Local Own Revenue (LOR), Financial Transfer, and Total Regional Revenue of East Kalimantan Province for 2018-2022.
3. East Kalimantan Province LOR Realization and Target data for 2018-2022.
4. GRDP data for East Kalimantan Province for 2018-2022.
5. Data on the poverty rate of East Kalimantan Province for 2018-2022.
6. Other data that support the study.

Data Collection Techniques

Data collection techniques include literature reviews in the form of journals or literature relevant to this research, documentation from the publication of the East Kalimantan Provincial Statistical Bureau (BPS), and the implementation of the East Kalimantan Provincial Government Budget for 2018-2022.

Data Analysis Methods

The F statistical test shows whether all the independent variables included in the model have a simultaneous influence on the dependent variable.

The statistical t-test shows how far the influence of one independent variable is on the dependent variable by assuming the other independent variable is constant.

Calculation of Causality Effect Between Variables using decomposition model. The decomposition model is a model that emphasizes the influence of causality between variables, both direct and indirect influences within the framework of *path analysis*, while non-causality or non-correlation relationships that occur between exogenous variables are not included in this calculation.

OVERVIEW OF THE RESEARCH OBJECT

East Kalimantan's population in 1996 was 2.34 million, rising to 2.44 million in 2000 and 2.85 million in 2005. The average population growth rate from 1990 to 2000 was 2.72%, and from 2000 and 2005 it was 4.04%, owing primarily to population imports from neighboring regions. The growth rate is significantly higher than the national average population growth rate. In 2005, the average population density was 15 people per square kilometer (East Kalimantan Long Term Development Plan, 2005-2025). East Kalimantan's population distribution in 2005 was concentrated in urban regions, particularly Samarinda (20.22%), Balikpapan (16.54%), and Kutai Kartanegara Regency (17.27%). The urban population is 1.33 million, or roughly 46.57% of the overall population. The urban area covers 2.59 thousand km², or 1.13% of East Kalimantan's total land area, with an average population density of 421.99 persons per km². Meanwhile, up to 1.52 million people, or 53.43% of the population, live in nine districts covering 227.27 thousand km² (98.87% of the total land area), with an average population density of only 10.20 people per km² (East Kalimantan Long Term Development Plan, Year 2005-2025).

ANALYSIS AND DISCUSSION

Model 1

Table 3. The F-test Direct effects of the regional financial capability, effectiveness, and independence on GRDP in East Kalimantan

ANOVAa

Type		Sum of Squares	Df	Mean Square	F	Sig.
1	Regression	40,430	3	13,477	17,724	0.000b
	Residuals	34,977	46	0,760		
	Total	75,407	49			

Source: Data processed in 2023

Based on the results of the analysis, it shows that F value > F table or (17,724 > 2,800) which means that there is a simultaneous influence of the capability, effectiveness, and independence of regional finance on GRDP in East Kalimantan.

Table 4. The t-test direct effects of the regional financial capability, effectiveness, and independence on GRDP in East Kalimantan

Coefficients

Type	Unstandardized Coefficients		Standardized Coefficients	t	Sig.	Collinearity Statistics	
	B	Std. Error	Beta			Tolerance	VIF
1 (Constant)	13,670	2,036		6,715	0,000		
x1	5,456	2,677	3,523	2,038	0,047	0,003	296,361
x2	0,199	0,444	0,046	0,448	0,656	0,948	1,055
x3	-3,960	2,420	-2,826	-1,637	0,109	0,003	295,787

Source: Data processed in 2023

Based on the results of the t-test obtained as follows:

- a. The direct effect of regional financial capability on GRDP in East Kalimantan: The significance value is $0.047 < \alpha = 0.05$ and t value (2.038) > t table (2.011) at $\alpha = 0.05$ then the regional financial capability has a positive and significant direct effect on GRDP in East Kalimantan, which means the hypothesis is accepted.
- b. The direct effect of regional financial effectiveness on GRDP in East Kalimantan; The significance value is $0.656 > \alpha = 0.05$ and t value (0.448) < t table (2.011) at $\alpha = 0.05$ then the regional financial effectiveness has a positive but insignificant direct effect on GRDP in East Kalimantan, which means that the hypothesis is rejected.
- c. The direct effect of regional financial independence on GRDP in East Kalimantan: The significance value is $0.109 > \alpha = 0.05$ and t value (-1.637) < t table (2.011) at $\alpha = 0.05$ then regional financial independence has a negative and insignificant direct effect on GRDP in East Kalimantan, which means that the hypothesis is rejected.

Model 2

Table 5. The F-test Direct effects of the regional financial capability, effectiveness, independence, and GRDP on poverty in East Kalimantan

ANOVAa

Type	Sum of Squares	Df	Mean Square	F	Sig.
1 Regression	8,286	4	2,071	69,275	0.000b
Residuals	1,346	45	0,030		
Total	9,631	49			

Source: Data processed in 2023

Based on the results of the analysis, it shows that F value > F table or (69,275 > 2,570) which means that there is a simultaneous influence on the capability, effectiveness, regional financial independence, and GRDP on poverty in East Kalimantan.

Table 6. The t-test direct effects of the regional financial capability, effectiveness, independence, and GRDP on poverty in East Kalimantan

Coefficients

Type	Unstandardized Coefficients		Standardized Coefficients	t	Sig.	Collinearity Statistics	
	B	Std. Error	Beta			Tolerance	VIF
1 (Constant)	0,835	0,568		1,470	0,148		
x1	2,245	0,554	4,057	4,050	0,000	0,003	323,118
x2	0,193	0,088	0,125	2,185	0,034	0,944	1,059
x3	-2,540	0,494	-5,072	-5,145	0,000	0,003	313,010
Y1	0,067	0,029	0,189	2,305	0,026	0,464	2,156

Source: Data processed in 2023

Based on the results of the t-test obtained as follows:

- The direct effect of regional financial capability on poverty in East Kalimantan: The significance value is $0.000 < \alpha = 0.05$ and t value (4.050) > t table (2.012) at $\alpha = 0.05$ then the regional financial capability has a positive and significant direct effect on poverty in East Kalimantan, which means the hypothesis is rejected.
- The direct effect of regional financial effectiveness on poverty in East Kalimantan: The significance value is $0.034 < \alpha = 0.05$ and t value (2.185) > t table (2.012) at $\alpha = 0.05$ then the effectiveness of regional finance has a positive and significant direct effect on poverty in East Kalimantan, which means the hypothesis is rejected.
- The direct effect of regional financial independence on poverty in East Kalimantan: The significance value is $0.000 < \alpha = 0.05$ and t value (-5.145) > t table (2.012) at $\alpha = 0.05$ then regional financial

independence has a negative and significant direct effect on poverty in East Kalimantan, which means the hypothesis is accepted.

- d. The direct effect of GRDP on poverty in East Kalimantan: The significance value is $0.026 < \alpha = 0.05$ and t value (2.305) > t table (2.012) at $\alpha = 0.05$ then the GRDP has a positive and significant direct effect on poverty in East Kalimantan, which means the hypothesis is rejected.

Causality Effect Between Variables

Table 7. Decomposition of the indirect causality effect between the ability, effectiveness, and independence of regional finances on poverty mediated by GRDP in East Kalimantan

Effect Between Variables	Causal Influence		Total
	Immediately	Indirect	
X1 → Y1	0,047	-	0,047
X2 → Y1	0,656	-	0,656
X3 → Y1	0,109	-	0,109
Y1 → Y2	0,026	-	0,026
X1 → Y2	0,000	0,000	0,000
X2 → Y2	0,034	0,022	0,056
X3 → Y2	0,000	0,000	0,000

Source: Data processed in 2023

Based on these results, it is explained below:

- a. Indirect effect of regional financial capability on poverty mediated by GRDP in East Kalimantan: The significance value is $0.000 < \alpha = 0.05$ then regional financial capability has a positive and significant indirect effect on poverty mediated by GRDP in East Kalimantan, which means the hypothesis is accepted.
- b. Indirect effect of regional financial effectiveness on poverty mediated by GRDP in East Kalimantan: The significance value is $0.056 < \alpha = 0.05$ then the effectiveness of regional finance has a positive and significant indirect effect on poverty mediated by GRDP in East Kalimantan, which means the hypothesis is accepted.
- c. The indirect effect of regional financial independence on poverty mediated by GRDP in East Kalimantan: The significance value is $0.000 < \alpha = 0.05$ then regional financial independence has a positive and significant indirect effect on poverty mediated by GRDP in East Kalimantan, which means the hypothesis is accepted.

Discussion

1. The direct effect of regional financial capability on GRDP in East Kalimantan.

According to the findings of the study, regional financial capability has a favorable and considerable impact on GRDP in East Kalimantan. This implies that the larger the regional financial capability, the higher the GRDP in East Kalimantan. Conversely, the lesser the regional financial competence, the lower the GRDP in East Kalimantan. This is because regional financial capabilities show the government's ability to explore financial resources and manage and use its finances that are adequate to finance the implementation of its government. Therefore, the regional financial ability of the East Kalimantan Provincial government in financing the implementation of its government makes the GRDP in East

Kalimantan Province high.

According to Putri's research (2018), regional financial capability has a significant effect on the GRDP of Districts / Municipalities in South Sumatra Province. This reflects that the ability to manage finances is expected to increase GRDP. Lianita's (2023) research shows that regional financial capabilities have a (positive) and significant effect on GDP per capita.

Local governments in East Kalimantan Province are aiming to raise LOR through increased tax and levy income. However, increasing LOR does not automatically increase the contribution of LOR in the Regional Budget, because local governments are still realistic in preparing the Regional Budget, so that high local revenues can still meet the costs required in development, and local governments in increasing regional revenues not only rely on taxes and levies.

2. The direct effect of regional financial effectiveness on GRDP in East Kalimantan.

The study's findings indicate that the effectiveness of regional finance has a favorable but small effect on GRDP in East Kalimantan. As a result, the effectiveness of regional financing does not correlate with the GRDP in East Kalimantan. Conversely, the weaker the effectiveness of regional finances, the higher or lower the GRDP in East Kalimantan. This is because the GRDP of East Kalimantan Province is not defined by the effectiveness of regional finances. Completing activities on time within the given budget constraints can also signify fulfilling the planned goals and objectives.

According to Sabira's research (2018), the effectiveness of village funds has a positive and insignificant effect on West Aceh's economic growth. In contrast, Setiawina's research (2015) shows that the effectiveness of LOR has a direct effect on GRDP in the district/city government in Bali Province. Widodo's research (2021) shows that the results of multiple linear regression panel data show that the effectiveness of LOR significantly affects GRDP.

The increase in local income (LOR) must have some effect on the regional economy. As a result, the region will fail if it does not see a large growth in GRDP despite an increase in local tax sources. Furthermore, any change in economic conditions will affect changes in local revenue. This suggests that locations with a strong economy will have a higher local original income. As a result, the better a region's economic state, the more likely it is that local income will increase. Thus, the regional economy has a favorable impact on local income. If the contrary occurs, it may imply that there is an excessive exploitation of local income against the community, without regard for the community's productivity increase. The receipt of local income can boost regional GDP and affect national GDP. Increasing local original income can enhance local government investment, resulting in improved quality public services; in other words, local original income growth should be sensitive to GRDP (Yulianah, 2017: 101-102).

3. The direct effect of regional financial independence on GRDP in East Kalimantan.

According to the findings of the study, regional financial independence has a negative and minor impact on GRDP in East Kalimantan. So, the more the regional financial independence, the smaller the GRDP in East Kalimantan. East Kalimantan's GRDP increases when regional financial independence decreases. This is because the GRDP of East Kalimantan Province is not decided by regional financial independence as the government's ability to self-finance government activities, development, and services to communities who have paid taxes and levies as a source of income for the region.

Sirestu's (2023) research, shows that regional financial independence has an insignificant effect on economic growth (GRDP). In contrast, Suci's research (2014) shows that regional financial independence has a significant positive effect on economic growth. Lianita's (2023) research shows that regional financial independence has a (positive) effect on GRDP per capita.

Self-reliance describes how dependent local governments are on external aid funds. The higher the level of independence of a region, the lower the dependence of regions on external assistance such as the central and provincial governments (Ramli Faud, 2016: 32). Independent local government finances and their management are reflected in the Regional Budget. A regional Budget is an annual plan of local governments that is used as a reference for local government revenues and expenditures that are useful for decision-making in terms of development, through Regional Budget it can also be known whether a region can carry out its development accountably and prioritize transparency (Sirestu, 2023: 3-4).

4. The direct effect of regional financial capability on poverty in East Kalimantan.

The study's findings indicate that regional financial capability has a direct and considerable positive impact on poverty in East Kalimantan. So, the stronger the regional financial capacity, the greater the poverty in East Kalimantan. Conversely, the smaller the regional financial capacity, the lower the poverty in East Kalimantan.

Based on the notion of fiscal decentralization, better regional financial capacity when comparing total LOR and total revenue has demonstrated local governments' understanding of fiscal decentralization implementation. This level of government knowledge must be maintained to meet the purpose of regional autonomy, which is community welfare. However, the government has not increased poverty alleviation measures, therefore expanding regional financial capability does not influence poverty reduction. Regional financial capacity is not a factor that can alleviate poverty. This can be due to a lack of government competence in government management, particularly in poverty reduction, and the high number of workers and joblessness can cause poverty to rise even when regional financial capabilities are strong.

This research is in line with previous research conducted by Purnomo (2022) that regional financial capacity has a significant effect on the poverty rate in North Sumatra Province.

The financial ability of local governments to finance regional administration with less reliance on the central government, with Local Own Revenue (LOR) predicted to play the major role in generating funding for local government implementation. The government, as a financial manager, must apply the capacity concept (Degree of Fiscal Decentralization / DFD) to the utilization of money that can stimulate regional economic growth and generate equitable welfare for all areas. This has an impact on reducing the poverty rate in the region (Prakoso, 2019: 88).

5. The direct effect of regional financial effectiveness on poverty in East Kalimantan.

The study's findings show that regional funding has a direct and significant positive impact on poverty in East Kalimantan. As a result, the more efficient regional financing, the poorer East Kalimantan gets. Poverty in East Kalimantan decreases as regional budgets become less effective.

The effectiveness of LOR has a significant impact on poverty, with a positive correlation. This positive connection indicates that as the East Kalimantan LOR improves in effectiveness, the number of poor people will increase. The concept of LOR effectiveness highlights the government's ability to meet the LOR target; exceeding it indicates that regional financial performance is becoming more effective. The more effectively the LOR goal is reached, the less poverty there is in the region, if the LOR target is met, poverty may rise. When determining the pricing of public services, regional financial management is an important consideration. These decisions must take into account both internal aspects, such as the expenses of providing public services, and external factors, such as economic, social, and political issues. Economic factors that are considered must understand how much the community can pay and the impact on the economy; thus, while increasing the effectiveness of LOR may not always result in a decrease in poverty in the regions, the government must exercise extreme caution when making LOR decisions, particularly

on regional taxes and levies. The effectiveness of regional finances in East Kalimantan Province cannot help to accelerate the achievement of development goals for poverty eradication, which can be caused by unequal development in urban regions while poverty endures in remote areas like Malinau Regency. This study contradicts Sabira's (2018) claim that village funds have a positive but negligible impact on West Aceh's poverty rate.

6. The direct effect of regional financial independence on poverty in East Kalimantan.

The study found that regional financial independence has a direct and significant negative influence on poverty in East Kalimantan. As a result, East Kalimantan's poverty rate falls as the region's financial independence grows. East Kalimantan's poverty rate rises as regional financial capacity declines. This is because regional financial independence regularly deteriorates as a result of late tax payments and community punishment, causing the government to underinvest in poverty-reduction measures. This increases poverty as regional financial independence weakens.

Regional financial independence has a direct and severe negative impact on East Kalimantan's poverty rate. This illustrates that government services are beneficial in improving individuals' living conditions and life expectancy in a variety of cities and regions within East Kalimantan Province. Increasing the government's spending on poverty alleviation initiatives, or the percentage of the budget dedicated to government poverty reduction efforts. Regional independence has a negative impact on East Kalimantan's poverty rates. The negative relationship here suggests that as the region's independence grows, the number of poor people falls. This situation can be explained by the fact that not all of the balance fund, which is comprised of cash from the central government and other authorized regional resources, is allocated to poverty reduction. This is achievable because the Municipal and City get a sizable General Allocation Fund (GAF) produced from Net Domestic Revenue and disbursed to areas depending on fiscal shortfalls and basic allocations. The budget deficit is determined using population, area, HDI, and GRDP, while the basic allocation is calculated using the number of Regional Civil Servants. As a result, employee spending takes precedence over GAF allocation.

Furthermore, Districts and Municipalities receive a small amount of Special Allocation Fund (SAF) compared to GAF. The SAF is a government fund that must be utilized to assist specific national priorities, such as poverty alleviation. Specific activities are technical activities that help fund physical activities or projects. Logically, the larger the SAF, the greater its ability to alleviate poverty. If the government relies exclusively on SAF to address poverty, the allocation will be relatively limited because SAF is smaller than GAF. Meanwhile, the amount of PSF received by districts and cities remains unknown, as it is determined by the central government's tax and non-tax receipts. The vast majority of this PSF is transferred to the regions to increase their tax collection. Other legal regional revenue sources include third-party gifts to regions and central government emergency money. Third-party donations, often known as regional grants, are paid to regions to improve government services and empower government machinery. Meanwhile, the emergency funds provided to the regions are intended to be utilized in emergency scenarios such as natural disasters or extreme circumstances that cannot be handled by the Regional Budget. As a result of these findings, other legitimate regional funding cannot be entirely committed to poverty alleviation.

According to Prakoso (2019), regional financial independence has a significant negative influence on poverty. Similarly, Purnomo (2022) found that the Regional Financial Independence Ratio (RFIR) had a significant impact on poverty rates in North Sumatra Province. The level of financial independence remains insufficient, as does the "instructive" nature of the relationship with the Central Government.

Regional financial independence indicates the region's potential to attain regional autonomy, but it also has a substantial impact on poverty alleviation.

7. The direct effect of GRDP on poverty in East Kalimantan.

According to the study's findings, GRDP has a direct and considerable positive impact on poverty in East Kalimantan. So, the higher the GRDP, the greater the poverty in East Kalimantan. Conversely, the lower the GRDP, the lower the poverty in East Kalimantan.

Furthermore, GRDP has a positive and significant impact on poverty in East Kalimantan because it varies by city/district, with high GRDP areas due to numerous economic activities supported by adequate infrastructure and low GRDP areas due to remote locations, insufficient infrastructure, and lack of economic activities. This imbalance may lead to increased poverty rates. In remote areas, high GRDP has no direct impact on community poverty alleviation initiatives, and the trickle-down effect of an increase in GRDP does not exist.

Higher GRDP does not further reduce the poverty rate, as there is still inequality between the GRDP obtained and the level of poverty that happens. Kutai Kartanegara Regency has a high GRDP due to high Local Own Revenue (LOR), General Allocation Fund (GAF), Production Sharing Fund (PSF), inflation, Foreign Investment (FI), Domestic Investment (DI), local government expenditure, and labor. In contrast, Mahulu Regency's low GRDP is the result of low Local Original Revenue (LOR), General Allocation Fund (GAF), Production Sharing Fund (PSF), inflation, Foreign Direct Investment (FDI), Domestic Investment (DI), local government expenditure, and labor. This has resulted in higher poverty rates in Mahulu Regency than in other regions.

The high poverty in Mahulu Regency is because it is a new area and has an area that is difficult to access. Another problem is the lack of maximum outreach and equity in poverty alleviation programs that are still centered in urban areas. Inaccessibility factors due to relatively difficult geographical conditions and the fulfillment of other supporting facilities. No exception is the distance to the center of government and economy. Damanik (2020) also found that the GRDP variable had a substantial effect on the poverty variable in North Sumatra province from 2008 to 2017.

8. The indirect effect of regional financial capability on poverty mediated by GRDP in East Kalimantan.

According to the study's findings, regional financial capability has an indirect and significant impact on poverty in East Kalimantan via GRDP. As a result, the greater the regional financial capability, the higher the poverty mediated by GRDP in East Kalimantan. Conversely, the lesser the regional financial capacity, the lower the poverty in East Kalimantan mediated by GRDP.

The strong regional financial capability but the inability to eradicate poverty in East Kalimantan may be attributed to traditional budgeting emphasizing a budgeting procedure that only increases or decreases the number of rupiahs that already exist. The main issue with this traditional budget is the lack of emphasis on the concept of Value For Money, which often ignores the concepts of efficiency, effectiveness, and economics, resulting in an excess budget at the end of the year that will eventually be spent on less important activities to spend the remaining budget. Meanwhile, performance-based budgeting emphasizes the concept of value for money and the monitoring of output performance. The budget approach contradicts the traditional budget perspective that the government will abuse its money and position unless directed and interfered with by other parties. Performance budgeting is a strategy that focuses on program preparatory activities and performance benchmarks as tools for meeting program goals and objectives.

Low income ability can also refer to a lack of purchasing power or consumption ability. The ability to earn

a very limited or low income reduces a person's or group's purchasing power, particularly in meeting fundamental necessities (Nugroho, 2018: 17). The primary goal of this intake is to meet nutritional and health criteria.

9. The indirect effect of regional financial effectiveness on poverty mediated by GRDP in East Kalimantan.

According to the study's findings, the effectiveness of regional finances has an indirect and significant impact on poverty in East Kalimantan via GRDP. Thus, the larger the efficacy of regional funding, the greater the poverty through GRDP in East Kalimantan. In contrast, the lower the efficacy of regional finances, the lower the poverty mediated by GRDP in East Kalimantan.

The high financial effectiveness ratio of local governments indicates a high level of LOR realization, which is supposed to stimulate regional development activities and, ultimately, regional GDP. However, achieving a high LOR is rarely followed by high development efforts, therefore it has no impact on regional GDP. This is because the difference between LOR revenue realization and target at each place is negligible or does not meet economic, efficient, or effective standards (value for money). The lack of substantial gaps discourages the formation of GRDP in the area, which leads to greater poverty.

10. The indirect effect of regional financial independence on poverty mediated by GRDP in East Kalimantan.

The study's findings show that regional financial independence has an indirect and considerable impact on poverty in East Kalimantan via GRDP. Thus, the greater the regional financial independence, the greater the poverty in East Kalimantan mediated by GRDP.

Regions with great financial independence are expected to have a high GRDP and be inclusive, suggesting that GRDP influences all parts of society. As a result, robust GRDP is expected to significantly improve people's well-being and reduce poverty. East Kalimantan's cities/regencies have a high GRDP due to the large number of economic activities supported by suitable infrastructure. Meanwhile, places with low GRDP scores are the outcome of low economic activity, notably low output. In East Kalimantan, there are cities/regencies where GRDP consistently rises, but there are other areas with considerable variability. If this tendency continues, the poverty rate will climb, thereby reducing East Kalimantan Province's economic development performance. If the gap or gaps continue, the number of poor individuals will increase even more.

To minimize the number of poor people, local and national governments must work together to create effective policies. The policy can be efficiently implemented if regional funds are derived from local revenues, and fiscal decentralization from the central government to the regions allows for more focused policies. Each region will receive a transfer from screening for development efforts, with each receiving a separate budget according to its needs. The transfer from the central government to the region is expected to expand and enhance the regional fiscal space, allowing the community to thrive while reducing the number of poor people.

CONCLUSIONS AND SUGGESTIONS

Conclusions

1. Regional financial capability positively impacts GRDP in East Kalimantan. Thus, the stronger the regional financial capability, the higher the GRDP in East Kalimantan. This is because regional financial capabilities demonstrate the government's ability to explore financial resources and manage and use them to finance the implementation of its government. As a result, the East Kalimantan

Provincial government's regional financial ability to finance the implementation of its government contributes to the province's high GRDP.

2. Regional finances have a positive but insignificant impact on GRDP in East Kalimantan. As a result, the efficacy of regional finance in East Kalimantan does not correspond to its GRDP. This is because the success of regional finances does not determine East Kalimantan Province's GRDP, as performing tasks on time and within budget restrictions can also suggest accomplishing planned aims and objectives.
3. Regional financial independence has a small negative impact on East Kalimantan's GRDP. So, the more the regional financial independence, the lower the GRDP in East Kalimantan. This is because East Kalimantan Province's GRDP is not determined by regional financial independence, which refers to the government's ability to self-finance government activities, development, and services to communities that have contributed to the region's revenue through taxes and levies.
4. Regional financial competency has a direct and significant positive impact on poverty in East Kalimantan. As a result of increased regional financial capacity, East Kalimantan's poverty rate has risen. This demonstrates that regional financial capacity is not a factor in reducing poverty because a lack of government ability in government administration, particularly in poverty reduction, as well as a large number of workers and unemployed workers, can cause poverty to rise even when regional financial capacity is strong.
5. The efficacy of regional finances has a direct and positive impact on poverty in East Kalimantan. As a result, the more effective regional finance is, the poorer East Kalimantan becomes. This is because the efficacy of regional finance in East Kalimantan Province cannot assist in swiftly executing development goals in eradicating poverty, due to unequal development only in urban regions, while poverty is prevalent in many inaccessible locations.
6. Regional financial independence has a direct and significant detrimental impact on East Kalimantan poverty levels. So, the greater the regional financial independence, the lower the poverty rate in East Kalimantan. This is because regional financial independence frequently declines as a result of late tax payments and retribution from the community, forcing the government to underinvest in the community's poverty-reduction efforts. The decrease in regional financial independence leads to an increase in poverty.
7. GRDP has a direct and considerable positive impact on poverty in East Kalimantan. Thus, the more the GRDP, the greater the poverty in East Kalimantan. This is because increased GRDP does not reduce the poverty rate. After all, there is still inequality between the GRDP obtained and the level of poverty that happens.
8. Regional financial capacity indirectly has a positive and significant effect on GRDP-mediated poverty in East Kalimantan. So, the higher the regional financial capacity, the higher the poverty mediated by GRDP in East Kalimantan.
9. The efficacy of regional finances has a favorable and considerable impact on poverty in East Kalimantan through GRDP. Thus, the more the efficacy of regional funds, the greater the poverty mediated by GRDP in East Kalimantan.
10. Regional financial independence indirectly has a positive and significant effect on poverty mediated by GRDP in East Kalimantan. Thus, the higher the regional financial independence, the higher the poverty mediated by GRDP in East Kalimantan.

Suggestions

1. The local government of East Kalimantan Province is expected to further improve the regional financial capability to increase GRDP and reduce poverty in East Kalimantan, through improved physical development and community development to overcome poverty.
2. The local government of East Kalimantan Province is expected to further improve the effectiveness of regional finances by budgeting on time and according to objectives.
3. The local government of East Kalimantan Province is expected to further increase GRDP in overcoming poverty in East Kalimantan with more creativity and initiative in exploring potential sources of regional revenue, to increase local original income by maximizing the role of all relevant *stakeholders*, so that financial dependence on the central government / external parties can be minimal.
4. Further researchers can conduct further research on factors affecting GRDP and poverty in East Kalimantan with different independent variables and mediating variables

REFERENCES

1. Akhir, S. 2019. *Analysis of The Effect of Education Level, Economic Growth, and Unemployment Rate on The Poverty Rate In Sumatera Barat, Indonesia. International Conference On Economics Education* <https://www.atlantis-press.com/proceedings/piceeba-19/125918347>
2. Akhmad, Riyanto. 2020. *Pengaruh Sektor Pertanian, Industri, Dan Perdagangan Terhadap Produk Domestik Regional Bruto (PDRB) Kota Semarang*. Skripsi Fakultas Matematika Dan Ilmu Pengetahuan Alam Universitas Negeri Semarang.
3. Alisha, Wyonet Putri. 2021. *Pengaruh Pertumbuhan Ekonomi terhadap Tingkat Kemiskinan di Kabupaten/ Kota Sumatera Barat*. Published by Jurusan Pendidikan Ekonomi Vol 4 No.4
4. Bakar, Abu dan Sastra Widiyanti Said. 2021. *Analisis Tingkat Kemandirian, Efektivitas dan Kemampuan Keuangan Daerah Kabupaten Mimika*. Jurnal Kritis Vol 5 No 2
5. Baridwan, Zaki. 2015. *Sistem Informasi Akuntansi, edisi kedua*. Yogyakarta: BPFE.
6. Bastian, Indra. 2017. *Akuntansi Yayasan dan Lembaga Publik*. Jakarta: Erlangga.
7. BPS Provinsi Kalimantan Timur. 2022. *Statistik Daerah Kalimantan Timur*. Badan Pusat Statistik Kalimantan Timur.
8. Case, Karl E., Fair, Ray C. 2014. *Prinsip-Prinsip Ekonomi*. Jilid 1. Jakarta: Erlangga.
9. Daminik, Rapika Kesatriani. 2020. *Pengaruh jumlah penduduk dan PDRB terhadap kemiskinan di Provinsi Sumatera Utara tahun 2008-2017*. Jurnal Darma Agung Vol 28 No. 3.
10. Darise, Nurlan. 2019. *Pengelolaan Keuangan Daerah Edisi ke-2*. Jakarta: PT Indeks.
11. Enceng, Liestyodo, BI dan Purwaningdyah, MW. 2017. *Desentralisasi Fiskal Penerimaan Keuangan Daerah*. J Ilmu Administrasi Negara. 12(1):1-73.
12. Fathiyah, Iskandar Nasution, Bambang Niko Pasla, Fahmi Rasid dan Muhammad Arif. 2022. *Analisis Rasio Ketergantungan dan Kemandirian Daerah Dalam Mengukur Kemampuan Keuangan Daerah Pemerintah Provinsi Jambi*. Jurnal Prajaiswara Volume 3 Number 1 Month June Year
13. Ghozali, Imam dan Hengky Latan. 2016. *Konsep, Teknik, Aplikasi Menggunakan Smart PLS 3.0 Untuk Penelitian Empiris*. Semarang: BP Undip.
14. Halim, Abdul. 2017. *Akuntansi Keuangan Daerah*. Jakarta : Salemba Empat.
15. Harahap, Y. 2016. *Analisis Sosial Ekonomi Rumah Tangga Kaintannya dengan Kemiskinan di Perkotaan*. Jurnal Universitas Sumatera Utara. Medan.
16. Harnanto. 2019. *Dasar-Dasar Akuntansi*. Yogyakarta: CV Andi Offset.

17. Hery. 2017. *Analisis Laporan Keuangan*. Yogyakarta: CAPS.
18. Hidayat, Muhammad dan Hefrizal Handra. 2020. Analisis Kemampuan Keuangan Kabupaten/Kota di Provinsi Riau. *Jurnal Akuntansi & Ekonomika*, Vol. 10 No. 2
19. Jarnasy, Owin. 2019. *Pemberdayaan dan Penanggulangan Kemiskinan*. Belantika. Jakarta.
20. Jhingan, ML. 2014. *Ekonomi Pembangunan dan Perencanaan*. Jakarta: Rajawali, Press.
21. Juairiah. 2017. *Pengaruh kemampuan keuangan daerah terhadap pertumbuhan ekonomi di wilayah Sumatera bagian selatan periode tahun 2005 sampai dengan 2014*. file:///C:/Users/Asus/Downloads/772-1471-1-SM.pdf
22. Kasmir. 2019. *Analisis Laporan Keuangan. Edisi Pertama*. Cetakan Keduabelas. Jakarta : PT Raja Grafindo Persada.
23. Kusufi, Syam. 2017. *Akuntansi Sektor Publik : teori, konsep dan aplikasi*. Salemba Empat : Jakarta.
24. Lianita, Hamiddah. 2023. *Analisis Pengaruh Kemampuan Keuangan Daerah dan Kemandirian Keuangan Daerah Terhadap PDRB Perkapita Kota Banjarmasin*. IEP: Jurnal Ilmu Ekonomi dan Pembangunan Vol. 6 No. 1, 2023, hal 381-391
25. Mahmudi. 2019. *Manajemen Keuangan Daerah*. Jakarta. Penerbit Erlangga.
26. Mahsun, Mohamad. 2014. *Pengukuran Kinerja Sektor Publik*. Yogyakarta: BPFE.
27. Mardiasmo. 2018. *Akuntansi Sektor Publik*. Yogyakarta: Andi.
28. Nalle, Frederic W., Kamilaus K. Oki dan Putra M.M. Sangaji. 2021. *Analisis kemampuan keuangan daerah dalam rangka pelaksanaan otonomi daerah provinsi nusa tenggara timur*. I N O V A S I - 17 (1), 2021; 184-197
29. Nordiawan, Deddi. 2016. *Akuntansi Pemerintahan*. Salemba Empat : Jakarta.
30. Noviwijaya, A. 2015. *Pengaruh Keragaman Gender dan Usia Pejabat Perbendaharaan Terhadap Penyerapan Anggaran Satuan Kerja: Studi Empiris Pada Satuan Kerja Lingkup Pembayaran KPPN Semarang I*. Diponegoro Journal of Accounting. Vol. 2, No. 3, hal. 1-10.
31. Nugroho, Heru. 2018. *Kemiskinan, Ketimpangan, dan Kesenjangan*. Aditya Media. Yogyakarta.
32. Peraturan Pemerintah Nomor 24 Tahun 2005 tentang Standar Akuntansi Pemerintahan
33. Peraturan Presiden Republik Indonesia Nomor 166 Tahun 2014 tentang Program Percepatan Penanggulangan Kemiskinan
34. Peraturan Presiden Nomor 18 Tahun 2020 Tentang Rencana Pembangunan Jangka Menengah Nasional 2020-2024
35. Prakoso, Jalu Aji., Fitrah Sari Islami dan Rr Retno Sugiharti. 2019. *Analisis Kemampuan dan Kemandirian Keuangan Daerah terhadap Pertumbuhan Ekonomi dan Kemiskinan Di Jawa Tengah*. Jurnal REP (Riset Ekonomi Pembangunan) Volume 4 Nomor 1.
36. Purnomo, Sodik Dwi. 2022. *Analisis Kemampuan Keuangan Daerah terhadap Kemiskinan: Studi Empiris di Sumatera Utara*. Ekonomis: Journal of Economics and Business, 6(1)
37. Putra, R., & Hidayat, S. 2016. *Tingkat Kemandirian Keuangan Daerah dan Hubungannya dengan Pertumbuhan Ekonomi Provinsi Jambi*. Jurnal Perspektif Pembiayaan Dan Pembangunan Daerah, 3(4), 243-256
38. Putra, Heru Syah. 2018. *Pengaruh Dana Desa Terhadap Kemiskinan Di Aceh*. Jurnal Analisis Kebijakan. Vol. 2 No. 2 Tahun 2018.pp.51-61.
39. Putri, Yayang Suciassi. 2018. *Pengaruh kemampuan keuangan daerah terhadap PDRB Kabupaten/Kota di Provinsi Sumatera Selatan*. Skripsi Fakultas Ekonomi Universitas Sriwijaya.
40. Riduwan, & Sunarto. 2012. *Pengantar Statistika: Untuk Penelitian Pendidikan, Sosial, Ekonomi*,

Komunikasi dan Bisnis. Bandung: Alfabeta.

41. Sabira, Alvia Jihan. 2018. *Efektivitas penggunaan dana desa dan pengaruhnya terhadap tingkat kemiskinan di Kabupaten Aceh Barat*. <https://media.neliti.com/media/publications/359568-efektivitas-penggunaan-dana-desa-dan-pen-88c130bb.pdf>
42. Sani, Achmad Supriyanti dan Vivin Maharani. 2018. *Metodologi Penelitian Manajemen Sumber Daya Manusia*. Malang: UIN-Maliki Press.
43. Singgih, Santoso. 2021. *Menguasai statistik dengan SPSS 24*. Jakarta: PT. Elexmedia Komputindo. Keneth Laudon & Jane Laudon
44. Suci, Stannia Cahaya. 2014. Pengaruh kemandirian keuangan daerah terhadap pertumbuhan ekonomi di Provinsi Banten. <https://media.neliti.com/media/publications/228369-pengaruh-kemandirian-keuangan-daerah-ter-187313c1.pdf>
45. Sugiyono. 2020. *Metode Penelitian Kuantitatif, Kualitatif dan R&D*. Bandung. ALFABETA.
46. Sukirno, Sadono. 2015. *Makro Ekonomi Modern Perkembangan Pemikiran Klasik Hingga Keynisan Baru*. PT. Raja Grafindo Persada. Jakarta.
47. Suryawati, Chriswardani. 2019. *Memahami Kemiskinan Secara Multidimensional*. JMPK Volume 8 Nomor 3.
48. Todaro, M.P.C. 2017. *Pembangunan Ekonomi di Dunia Ketiga*. Penerbit Erlangga. Jakarta.
49. Undang-Undang Dasar 1945
50. Undang-undang Nomor 22 Tahun 1999 tentang Pemerintahan Daerah
51. Undang-undang Nomor 25 Tahun 1999 tentang Perimbangan Keuangan antara Pemerintah Pusat dan Daerah
52. Undang-undang Nomor 32 Tahun 2004 tentang Pemerintahan Daerah
53. Undang-undang Nomor 33 Tahun 2004 tentang Perimbangan Keuangan Antara Pemerintah Pusat dan Pemerintah Daerah
54. Widodo, Slamet. 2021. *The Effect of Regional Financial Ratios on Gross Regional Domestic Bruto with Variable of Capital Expenditure as Moderation Variable in the Provincial Government 2015-2019*. <file:///C:/Users/Asus/Downloads/10.jurnal-budget-Vol6Ed1-2021-192-210.pdf>
55. Yudaruddin, R. 2019. *Forecasting untuk Kegiatan Ekonomi dan Bisnis*. RV Pustaka Horizon.