THE INFLUENCE OF REGIONAL ORIGINAL REVENUE, BALANCING FUNDS, AND REGIONAL EXPENDITURE TOWARD POVERTY RATE (Empirical Study of Regional Government in Central Java and DIY)

PENGARUH PENDAPATAN ASLI DAERAH, DANA PERIMBANGAN,
DAN BELANJA DAERAH TERHADAP TINGKAT KEMISKINAN
(Studi Empiris pada Pemerintah Daerah di Provinsi Jawa Tengah dan DIY)



By Amalia Savitri Adi 20170420285

FACULTY OF ECONOMICS AND BUSINESS UNIVERSITAS MUHAMMADIYAH YOGYAKARTA 2020

THE INFLUENCE OF REGIONAL ORIGINAL REVENUE, BALANCING FUNDS, AND REGIONAL EXPENDITURE TOWARD POVERTY RATE

(Empirical Study of Regional Government in Central Java and DIY)

UNDERGRADUATE THESIS

Submitted as Partial Fulfillment of the Requirement for the Attainment of the Bachelor Degree of Accounting in International Program of Accounting, Faculty of Economics and Business, Universitas Muhammadiyah Yogyakarta



By
AMALIA SAVITRI ADI
20170420285

FACULTY OF ECONOMICS AND BUSINESS
UNIVERSITAS MUHAMMADIYAH YOGYAKARTA
2020

STATEMENT OF ORIGINALITY

Written by,

Name

: Amalia Savitri Adi

Student Number

: 20170420285

I declare that the undergraduate thesis entitled "THE INFLUENCE OF REGIONAL ORIGINAL REVENUE, BALANCING FUNDS, AND REGIONAL EXPENDITURE TOWARD POVERTY RATE

(Empirical Study of Regional Government in Central Java and DIY)" is my own original work to fulfill the requirement for bachelor degree in faculty of economics and business, Universitas Muhammadiyah Yogyakarta. It does not incorporate any materials previously written or published by other people, except those indicated in quotations and bibliography. Due to this fact, I am the one and only person responsible for the undergraduate thesis if there is any objection or claim from others.

Yogyakarta, January 7th 2021

C33AHF866960836

ENAM RIBURUPIAH

Amalia Savitri Adi

MOTTOS

"My goal is not to be better than anyone else, but to be better than I used to be."

DEDICATION PAGE

Alhamdulillahirabbil'alamin, Thanks to Allah SWT who gives me His grace and blessings so that this undergraduate thesis can be completed. I would like to dedicate this undergraduate thesis to:

- Myself. I am who always never give up in every jurney. I am who always try at my best. I am who has been this far
- 2. My parents. They are the ones who never let me alone, and in trouble. They are never stop to cheer me up everytime I have a bad day. They are who always proud of me. Their words and prayers are the greatest fuel.
- 3. Dr. Evi Rahmawati, M.Acc., Ak CA as my supervisor who always given me the best advice, knowledge and her dedication to help me so far.
- 4. My Best Friend ever, my sister, Rahma who always gives me her criticism if I am too afraid to make decisions.
- 5. My little sister, Aura and Adi, thank you for always make a mess in my room while I study and work.
- My close friends, Deby, Emma, Risma, Yani, Rossy, Giki, Irsa, Izul, and Dina.
 Thank you for always hear my stories.
- 7. The IPAcc Student Batch 2017. Thank you for the memorable experiences.
- 8. BTS Members (Kim Namjoon, Kim Seokjin, Min Yoongi, Jung Hoseok, Park Jimin,, Kim Taehyung, Jeon Jungkook) and Gaho, thank you for always make a beautiful music that give us strength.
- 9. To all my friends and relatives. I can't mention all you are here.

TABLE OF CONTENTS

COVER	i
SUPERVISOR APPROVAL PAGE	iii
EXAMINER APPROVAL PAGE	iv
STATEMENT OF ORIGINALITY	v
MOTTOS	vi
DEDICATION PAGE	vii
TABLE OF CONTENTS	viii
LIST OF FIGURES	xi
LIST OF TABLES	xii
LIST OF ATTACHMENTS	xiii
CHAPTER I	
INTRODUCTION	1
A. Background	1
B. Research Scope	5
C. Research Questions	5
D. Research Objectives	6
F. Significance of the Study	7
CHAPTER II	
LITERATURE REVIEW	8
A. Theoretical Framework	8
1. Stewardship Theory in The Regional Government	8
2. Fiscal Decentralization	9
3. Regional Original Revenue	10
4. Balancing Fund	11
5. General Allocation Fund	11
6. Special Allocation Fund	12
7. Profit-Sharing Fund	13
8. Regional Expenditure	13

9.	Poverty	14
B. I	Literature Review and Hypotheses Development	15
1.	Original Regional Revenue towards Regional expenditure	15
2.	General Allocation Fund towards Regional expenditure	16
3.	Special Allocation Fund towards Regional Expenditure	18
4.	Profit-sharing Fund toward Regional Expenditure	19
5.	Special Allocation Fund towards Poverty Rate	20
6.	Profit-Sharing Fund towards Poverty Rate	21
7.	Regional Expenditure towards Poverty Rate	22
8.	Regional Original Revenue towards Poverty Rate	22
9.	General Allocation Fund towards Poverty Rate	23
C. I	Research Model	25
СНАРТ	ER III	
RESEA	RCH METHODOLOGY	26
A. I	Research Design	26
1.	Object/ Subject of the Research	26
2.	Data Type	26
3.	Sampling Technique	26
4.	Data Collection Technique	27
5.	Operational Definition of Research Variables	27
6.	Data Analysis	29
СНАРТ	TER IV	
RESEA	RCH ANALYSIS AND RESULT	34
A. (Object Overview/Research Subject	34
B. I	Descriptive Statistics	34
C. (Classic Assumption Test Research Model I	36
1.	Normality Test	36
2.	Multicollinearity Test	37
3.	Heteroscedasticity Test	38
4.	Autocorrelation Test	39
D. (Classic Assumption Test Research Model II	40

1.	Normality Test	41
2.	Multicollinearity Test	42
3.	Heteroscedasticity Test	43
4.	Autocorrelation Test	44
E.	Hypothesis Test	45
1.	Research Model I	45
2.	Research Model II	50
3.	Hypothesis Test 8	56
4.	Hypothesis Test 9	58
F.	Discussion	59
CHAP	TER V	
CONC	CLUSION, RESEARCH LIMITATIONS, AND SUGGESTIONS	66
A.	Conclusion	66
B.	Research Limitations	67
C.	Suggestion	67
D.	Implications	68
ATTA	CHMENTS	70
REF	FERENCES	70
DAT	ΓΑ	75

LIST OF FIGURES

Figure 2.1 Research Model	25
Figure 4.1 Output First Sub Structure of Regression Model I	50
Figure 4.2 Output Second Sub Structure of Regression Model II	56
Figure 4.3. Path Analysis I	57
Figure 4.4. Path Analysis II	58

LIST OF TABLES

Table 4.1 Research Sample	34
Table 4.2 Statistics Descriptive Test Result	35
Table 4.3 Normality Testing Result Research Model I	37
Table 4.4 Multicollinearity Testing Result Research Model I	38
Table 4.5 Heteroscedasticity Testing Result Research Model I	39
Table 4.6 Autocorrelation Testing Result Research Model I	40
Table 4.7 Normality Testing Result Research Model II	41
Table 4.8 Multicollinearity Testing Result Research Model II	42
Table 4.9 Heteroscedasticity Testing Result Research Model II	43
Table 4.10 Autocorrelation Testing Result Research Model II	44
Table 4.11 R Square Result Research Model I	45
Table 4.12 F Test Result Research Model I	46
Table 4.13 T Test Result of Research Model I	47
Table 4.14 R Square Result Research Model II	51
Table 4.15 F Test Result Research Model II	52
Table 4.16 T Test Result of Model Research II	53
Table 4.17 Hypothesis Testing Result Summary	59

LIST OF ATTACHMENTS

REFERENCES	. 70
DATA	. 75