



## Effect of GRDP, Capital Expenditure, OSR, and HDI on Poverty in Kuantan Singingi Regency

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### Abstract

*This research aimed to analyze the effect of Gross Regional Domestic Product (GRDP), Capital Expenditure, Own-Source Revenue (OSR), and the Human Development Index (HDI) on poverty in the Kuantan Singingi Regency. The data used was time series data from 2010 to 2021. The test was performed using multiple linear regression tools with OLS analysis techniques. The results showed that the GRDP and OSR significantly negatively affect poverty in Kuantan Singingi Regency. Poverty in Kuantan Singingi Regency will decrease as the GRDP and OSR increase. Meanwhile, Capital Expenditure has a significant effect on the poverty of Kuantan Singingi Regency. However, the HDI does not have a significant positive effect on the poverty of the Kuantan Singingi Regency.*

**Key words :** Poverty, GRDP, OSR, Capital Expenditure, HDI

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### INTRODUCTION

Poverty is a condition that is still a complicated phenomenon to solve, and it needs to be remembered that poverty can occur, indeed, due to many things, including natural and economic poverty, structural and social conditions, and civilization or cultural conditions. It explains that various aspects significantly contribute to overcoming the problem of poverty.

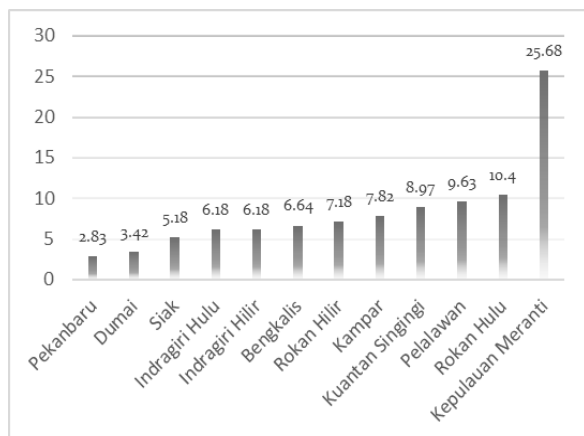
Thus, the frequently debated question: what are the priorities to be set for countries in deciding policies to be capable of enforcing and creating various crucial policies? Hence; it can encourage its final growth and reduce poverty (Balasubramanian et al., 2023).

Poverty is a very important matter to discuss because it is related to the involvement of many parties, and the state has a responsibility to maintain the welfare of the nation. Policies in overcoming poverty are of course very important

in paying attention to the determining indicators that can affect poverty.

According to the Central Statistics Agency (2022), the Government of Indonesia has made various attempts to overcome poverty; one of which is through social assistance provided to the poor. However, this program cannot solve the conditions of poverty that have reached extreme levels; as for the attempts that can be made, a systematic policy is required, i.e., attempts to improve various facilities that cause poverty.

Riau Province is one of the regions in Indonesia that enters the western part of Indonesia, precisely on the Island of Sumatra, where the number of poor people is still relatively high for areas on the Island of Sumatra (BPS, 2022). Interestingly, when looking at the economic condition of Riau Province, it is included as the largest contributor to the GRDP for Indonesia. Provinces that have 12 Cities/ Regencies, will certainly have different poverty conditions in each area.

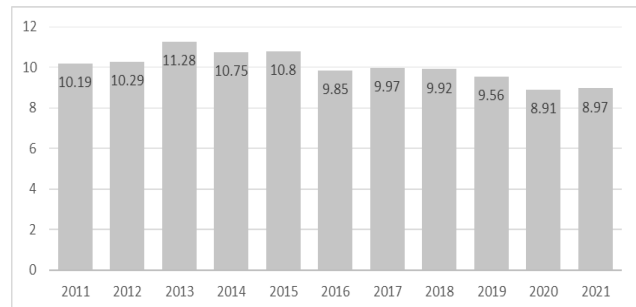


**Figure 1.** Percentage of Poor Society in Regencies/ Cities of Riau Province 2021

Source: Riau Central Statistics Agency (2022)

Referring to the poverty conditions, studies related to poverty will be very interesting to discuss. One area that needs to be discussed is the Kuantan Singingi Regency, which is included in the five regions with the highest percentage of poor people and is related to poverty conditions and factors affected by these factors. The following can be seen in the

development of the population and the percentage of poor people in Kuantan Singingi Regency:



**Figure 2.** Poor Society Level in Kuantan Singingi Regency 2021

Source: Kuansing Central Statistics Agency(2022)

Graph 1 (Figure 1) explains the development of poverty conditions in Kuantan Singingi Regency from 2011 – 2021 in the initial five years; namely, from 2011 – 2015, poverty conditions tended to increase. Then, the highest poverty in Kuantan Singingi Regency from 2011 to 2021 occurred in 2013. However, in the last six years, poverty conditions have decreased, but in 2021, poverty in Kuantan Singingi has increased again. In this case, many problems occurred due to the pandemic, so the issue of poverty experienced a movement.

To overcome the problem of poverty, it is necessary to understand factors that affect changes in poverty, i.e., whether they have decreased or increased. Economic growth can impact unemployment; the higher the economic growth, the more it will encourage the suppression of poverty.

This condition explains that economic growth in the long term can be an economic problem, where the results of economic growth will benefit the community in the future (Khalid Billady & Marhaeni, 2019).

To fully characterize the impact of poverty growth, we are particularly interested in the effect of total growth on poverty, which allows distribution. The effects can be seen from the growth elasticity of poverty reduction, i.e., any change in economic growth will be able to affect poverty (Datt et al., 2016).

When we try to infer statements about the impact of institutions on poverty from changes in GDP or inequality, poverty implies that only certain statements about those effects can be made. According to the literature cited above, GDP may have an effect on poverty rates (Dörffel & Freytag, 2023).

The high and low levels of economic growth will certainly be closely related to GDP or GRDP, where the indicator of economic growth is the condition of constant GRDP. Based on the GRDP of Kuantan Singingi Regency in 2016–2018, it continues to increase, namely, the GRDP of IDR 20,669.80 billion in 2017 increased compared to 2016. In 2018, the GRDP again increased to IDR 22,579.12 billion.

Indeed, the condition of GRDP with the number of poor society compared to the explanation of the theory is opposites; in 2017 - 2018, GRDP increased should the number of poverty decrease. However, it increased to 31.95 thousand people in 2017 and 32.10 thousand people in 2018 in Kuantan Singingi Regency; it is certainly contrary to the explanation of the theory.

Local government as a party to manage household affairs is a form of realizing fiscal centralization. According to Syamsul (2020), encouraging national and regional economic development will positively impact the community's welfare if it can be realized. In addition, Jia et al. (2014) explain that fiscal decentralization means discussing government spending and revenue.

Government spending will certainly encourage economic success and thus impact the community's economy, further encouraging welfare. One of these expenses is capital expenditure.

According to Sendouw et al. (2019), "Capital Expenditure" is a source of government expenditure used to encourage development and create infrastructure, where capital expenditure and poverty have a negative relationship. In addition, Mukarramah et al. (2019)

explained that the benefits are spread over more than one fiscal year and will increase regional assets or wealth and result in increased routine spending.

Based on the development of capital expenditure in 2011–2021 in Kuantan Singingi Regency, the highest was in 2014 at IDR 364,621 million, while the lowest was in 2011 at IDR 131,220 million.

In 2017, capital expenditure increased compared to the previous year of IDR 203.27 billion. However, compared to poverty conditions in 2017, the number of people living in poverty should have decreased; Nevertheless, it actually increased to 31.95 thousand in Kuantan Singingi Regency. It is contrary to the explanation of the theory: an increase in physical expenditure will reduce poverty.

The income aspect of fiscal decentralization is the ability of regions to obtain Own-Source Revenue (OSR); the higher the OSR, the better the regional economy. It is because OSR controls the regional economy (Amami & Asmara, 2022). According to Fitriyanti & Handayani (2021), high OSR will affect development and growth in the regions, which is realized in the form of procurement of facilities and infrastructures intended for the public interest to improve welfare and services to the community; finally, it is expected to overcome poverty in the regions.

The problem of poverty will be closely related to the people, themselves, as explained in the theory of the "vicious circle of poverty", where the condition of the poor means that they are trapped in a circle of darkness so that to be able to get out of it, one must be able to break the chain of poverty itself, and humans with good qualities, namely good health and education, will encourage an increase in their productivity.

The quality of human resources can be seen from the Human Development Index (HDI), which is significant in reducing poverty. The better the HDI, the better it describes the condition of higher-quality human resources; thus, it will encourage poverty reduction. Mean-

while, poverty currently limits health and education services (Todaro & Smith, 2013; Fadila & Marwan, 2020).

Referring to the development of the HDI in Kuantan Singingi Regency in 2011–2021, it continues to increase. Whereas in 2011, it was 65.72, it increased until 2019 to 70.78. When compared, the conditions of poverty and HDI are opposite. However, HDI has increased, and in some cases, poverty had also increased, such as in 2013, when HDI increased, but poverty also increased, as well as in 2017 and 2018, when poverty increased. Indeed, it is contrary to the explanation of the theory.

Poverty in Kuantan Singingi Regency is a sensitive issue that shows that the poverty rate from the last one-year has increased even though the number is small, so economic development in Kuantan Singingi Regency must be more inclusive by prioritizing local economic development from natural resources that will involve the community; hence, it is expected to overcome the decline in the number of poor people. Besides that, it is also necessary to encourage infrastructure improvement and quality HR. This research will examine the effects of GRDP, Capital Expenditure, OSR, and the HDI in the Kuantan Singingi Regency.

## METHOD

The research was quantitative research using the multiple linear regression analysis methods with the OLS analysis technique and an econometric model in the form of a general formulation of the regression equation, namely (Gujarati, 2006):

$$Y_t = \beta_0 + \beta_1 X_{1t} + \beta_2 X_{2t} + \dots + \beta_k X_{kt} + e_t \quad (1)$$

Where  $Y_t$  is dependent variables;  $\beta_0$  is regression constants;  $X_{1t}$ , ..  $X_{4t}$  are independent variables;  $e_t$  is interference variables;  $t$  is observation to  $i$

Then, the general form of the multiple regression equation above is derived from the

sample regression equation as follows (Purnomo, 2019):

$$Poverty_t = b_0 + b_1 GRDP_{1t} + b_2 BM_{2t} + b_3 OSR_{3t} + b_4 HDI_{4t} + e_t \quad (2)$$

Where Poverty  $t$  is Poverty (Soul);  $b_0$  is constanta;  $b_1$ ,  $b_2$ ,  $b_3$ ,  $b_4$  are regression coefficient of each independent variable;  $X_{1t}$  is GRDP (IDR);  $X_{2t}$  is capital expenditures (IDR);  $X_{3t}$  is OSR (IDR);  $X_{4t}$  is HDI (Ratio);  $e_t$  interference variable.

The estimation stage of the econometric model above will include classical assumption testing with tests including normality tests, autocorrelation tests, heteroskedasticity tests, and multicollinearity tests. Furthermore, hypothesis testing was carried out by testing the coefficient of determination, the ANOVA test (F-Test), and the partial test (T-Test).

In this research, the dependent variable was the number of poor people, defined as those whose monthly per capita expenditure is less than the poverty level (Central Statistics Agency, 2022). The data used was the number of poor people in Kuantan Singingi Regency from 2010–2021, with units of people. Independent variables were GRDP, Capital Expenditure, OSR, and HDI.

Secondary data was information generated and published by other organizations. It was time series data for 2010–2021 ( $t = 12$ ).

## RESULTS AND DISCUSSION

Before the regression equation is interpreted, a regression equation must meet classical assumptions. In this assumption, several tests must be met based on its provisions: normality, heteroskedasticity, autocorrelation, and multicollinearity. Statistical tests have several tests, including partial tests (t-test), simultaneous tests (F-test), and the coefficient of determination test ( $R^2$ ).

The objective of normality is to assess or measure the data analyzed as being distributed normally or vice versa. The data provision that is said to be normal exists when the value of

Asymp. Sig is greater than 0.05. Based on the normally distributed residual table, it can be seen from the Jarque-Bera probability value of 0.912149, which is greater than 0.05; thus, the analyzed data has been normally distributed. Normality test results can be seen in Table 1.

**Table 1.** Normality Test

Jarque-Bera	0.183904
Probability	0.912149

Source: Data processed

The autocorrelation test can be analyzed from the Lagrange Multiplier test or LM test, where the analysis can be considered free of autocorrelation. At the time of obtaining a large Chi-Square probability value of 0.05, based on the autocorrelation table, the probability value of Chi-Square in the LM test is 0.0600, which is greater than 0.05; thus, this result explains that the data analysis is free of autocorrelation. The autocorrelation test results can be seen in Table 2.

**Table 2.** Autocorrelation Test

Breusch-Godfrey Serial Correlation LM Test:			
F-statistic	5.204292	Prob. F(2,5)	0.0600
Obs*R-squared	8.106067	Prob. Chi-Square(2)	0.0174

Source: Data processed

The heteroskedasticity test is analyzed using the Glejser test, where data analysis is free of heteroskedasticity. When the probability chi-square value has many 0.05, it has a probability chi-square value of 0.4465. It indicates a value greater than 0.05; thus, data analysis can be concluded to be free from the heteroskedasticity test. The results of the heteroskedasticity test can be seen in Table 3.

Based data analysis, indeed, data has perfect indecision. It will be seen when the independent variables do not affect each other. To find this out, one can perform a multi-

collinearity test, which is carried out by looking at the value of the VIF (Variance Inflation Factor), where the data obtained must be small (less than 10). The correlation of each free variable is GRDP (X<sub>1</sub>) with a VIF value of 1.308085, followed by Capital Expenditure (X<sub>2</sub>) of 1.713499, OSR (X<sub>3</sub>) of 2.727626, and HDI (X<sub>4</sub>) of 2.452885, which is smaller than 10; the data analyzed have met the multicollinearity test. The results of the multicollinearity test can be seen in Table 4.

**Table 3.** Heteroskedasticity Test

Heteroskedasticity Test: Glejser			
F-statistic	0.783443	Prob. F(4,7)	0.5704
Obs*R-squared	3.710885	Prob. Chi-Square(4)	0.4465
Scaled explained SS	1.856433	Prob. Chi-Square(4)	0.7621

Source: Data processed

**Table 4.** Multicollinearity Test

Variable	Coefficient Variance	Uncentere VIF	Centered VIF
BM	1.51E-11	17.28911	1.713499
HDI	0.024343	2453.643	2.452885
OSR	8.41E-13	3.785420	2.727626
GRDP	9.89E-09	91.25111	1.308085
C	131.6079	2783.452	NA

Source: Data processed

The statistical test means to determine the determination of the model based on several tests, including a partial (t-test) and a simultaneous (f-test), and explain how much effect the dependent variable (R<sup>2</sup>) has. The statistical test results can be seen in Table 5.

Simultaneous test (F-test): independent variables affecting dependent variables synchronously can be known using simultaneous tests, or F-tests. Based on the simultaneous test table, a prob. (F-statistic) value of 0.000427 was obtained. This value is smaller when compared to 0.05, which means that GRDP expenditure (X<sub>1</sub>), capital expenditure (X<sub>2</sub>), OSR (X<sub>3</sub>), and the HDI (X<sub>4</sub>) have a significant simultaneous effect on poverty in Kuantan Singingi Regency.

**Table 5.** Statistical Testing

Variable	Coefficient	Std. Error	t-Statistic	Prob.
BM	9.50E-06	3.88E-06	2.445287	0.0444
HDI	0.233606	0.156021	1.497274	0.1780
OSR	-2.73E-06	9.17E-07	-2.973712	0.0207
GRDP	-0.000899	9.95E-05	-9.039900	0.0000
C	33.26389	11.47205	2.899559	0.0230
R-squared	0.927942	Mean dependent var		32.17417
Adjusted R-squared	0.886765	S.D. dependent var		2.238463
S.E. of regression	0.753251	Akaike info criterion		2.565501
Sum squared resid	3.971712	Schwarz criterion		2.767545
Log likelihood	-10.39301	Hannan-Quinn criter.		2.490697
F-statistic	22.53583	Durbin-Watson stat		2.664444
Prob(F-statistic)	0.000427			

Source: Data processed

With the value of the coefficient of determination or the adjusted R-square, we can see how much the independent variable affects the bound variable, where the GRDP ( $X_1$ ), Capital Expenditure ( $X_2$ ), OSR ( $X_3$ ), and Population ( $X_4$ ) of 0.886765 or 88.6765% affect poverty in Kuantan Singingi Regency. Meanwhile, 11.3235% were affected by variables not studied outside this research.

Based on the partial effect test (t-test) in Table 5, GRDP ( $X_1$ ), Capital Expenditure ( $X_2$ ), and OSR ( $X_3$ ) have a significant effect on poverty ( $Y$ ). Meanwhile, HDI ( $X_4$ ) does not significantly affect poverty in Kuantan Singingi Regency.

The GRDP variable ( $X_1$ ) has a regression coefficient of -0.000899, with the pattern of the relationship between poverty and GRDP being negative. It means that if the GRDP increases by IDR 10,000 billion, poverty will be reduced by 9 thousand people. On the other side, if the GRDP is reduced by IDR 10,000 billion, then poverty will increase by 9 thousand people.

The Capital Expenditure Variable ( $X_2$ ) has a regression coefficient of 9.50E-06, with the pattern of the relationship between poverty and capital expenditure being positive. It means that if capital expenditure inc-

reases by IDR 1,000,000,000, poverty will increase by 950 people.

The OSR variable ( $X_3$ ) has a regression coefficient of -2.73E-06, with the relationship between poverty and OSR being negative. It means that if the OSR increases by IDR 1,000,000,000, poverty will be reduced by 273 people. On the other side, if the OSR is reduced by IDR 1,000,000,000, then poverty will increase by 273 people.

The GRDP significantly negatively affects poverty; an increase in GRDP will encourage poverty reduction. Understanding the role of the GRDP in reducing poverty is critical to promoting inclusive and sustainable economic development. Although there are many studies on the contribution of growth to poverty reduction, the themes still vary according to the relationship between space and time. One study explained growth changes in poverty using sequential data. Indeed, there will be many factors that can encourage poverty conditions (Datt et al., 2016).

The research results align with the research conducted by Susanti and Sartiyah (2019) in the Riau Island Province. GRDP affects reducing poverty, and research conducted by (Balasubramanian et al., 2023) explains that GDP reduces poverty multidimensionally and that economic

growth is an essential instrument to alleviate poverty.

The increase in GRDP explains that people's income is experiencing income, so the ability to meet needs will increase. Therefore, efforts are significant in encouraging the improvement of GRDP in the Kuantan Singingi Regency.

As it is known, economic development, which aims to improve people's lives by, among other things, reducing poverty, is said to be successful if there is a continuous increase in income that is evenly distributed to all levels of society. Economic development is an attempt to increase per capita income to determine economic development that can improve per capita productivity by increasing equipment and skill capital. Therefore, with the increase in income, welfare will increase, and poverty will decrease. Hence, it is necessary to increase economic growth and equalize income distribution to reduce the poverty rate. It is reinforced by several expert opinions that argue there is a close relationship between economic growth and poverty levels.

The increase in GRDP produced by the area will show that the area's economic growth has increased, and the increase in GRDP certainly illustrates an increase in the goods and services produced by the area. Various efforts need to be made to encourage the increase in GRDP. As it is known that the GRDP in Kuantan Singingi Regency is dominated by primary sectors such as plantations, so to encourage the increase in GRDP, attempts are needed to encourage the increase in agricultural yields.

When the production of people's business activities from various sectors increases, indeed, what happens is that the increase in population productivity will thus be able to meet all the needs that have been set for what is said to be a "not poor society". As for the established measure of poverty itself, it must

be above the poverty line at the time of per capita expenditure per month.

A successful poverty alleviation strategy must have core measures to promote rapid and sustainable economic growth. The challenge is to combine policies that encourage growth with policies that allow the poor to participate fully in the opportunities released and contribute to that growth. These include policies that the labor market must make work better.

Capital Expenditure affects poverty in Kuantan Singingi Regency. However, it is seen to have a positive effect, which means that the increase in capital expenditure encourages an increase in poverty. It is not in line with the hypothesis that capital expenditure negatively affects poverty.

This research is in line with research conducted by Aimon et al. (2020), where the analysis for the long term is inclusive growth. Poverty is positively and significantly affected by government spending. It is because government spending will encourage increased investment that can disrupt the balance of inclusive growth. On income inequality and inequality, the government expenditure referred to in his research is the expenditure spent on the construction of road infrastructure, irrigation systems, networks, and buildings, where this expenditure is a form of capital expenditure.

The positive relationship between capital expenditure and poverty was also found to have the same result by Amami and Asmara (2022) that capital expenditure has a positive effect, but the results are not significant for poverty.

Procurement of assets that can encourage infrastructure improvement and productivity through capital expenditure is a form of encouraging poverty reduction. It includes capital expenditure allocation activities, especially the construction of buildings, roads, irrigation, and networks.

However, from the results of data analysis, it is known that capital expenditure, according to theory, can encourage poverty reduction but

increase poverty. It certainly occurs because the allocation is not on target, which encourages further suppression of community productivity.

Based on the allocation of assets in the Kuantan Singingi Regency, most of them are used for construction and road construction. However, the problem is that many developments have been delayed. In contrast, the allocation of funds has been made for these activities.

In addition, it is unfortunate that the buildings built are not the ones that encourage the increase in productivity of the community in general. Finally, it will only increase the budget burden that the region must spend for the allocation of expenditure.

Therefore, it is necessary to consider these conditions: it will continue to happen at a time when allocation is not managed properly; in addition, it should be noted that the main objective of economic development is to create welfare, and one of the forms of welfare is controlled poverty. When a community can meet its basic living needs, it can be said to be prosperous.

Furthermore, there is a need for targeted development to benefit the entire community instead of certain parties so that it will have an even impact, and the improvement of the community's economy will occur evenly, increasing the opportunity to get out of poverty. As explained by Amami and Asmara (2022), high capital expenditure has not been able to optimize the use of facilities provided by local governments.

The OSR has a negative relationship with poverty in Kuantan Singingi Regency because the increasing number of OSR admissions will further encourage efforts to improve welfare.

According to Paat et al. (2019), "Own-Source Revenue" (OSR) is a term used to refer to the sum of all revenues capable of being generated in an area. It is intended to be used

by local governments to encourage development activities and help the region reach its full potential. It will improve the composition of the OSR as a regional institution. The calculated OSR in accumulation will cause more positive externalizations and increase economic growth.

This research results align with the research conducted by Syamsul (2020), which explains that the OSR has a significant negative effect on poverty. Likewise, the research conducted by Paulus et al. (2019) indicates that OSR significantly negatively affects poverty.

In addition, Syamsul (2020), OSR is an instrument for realizing the regional economy to encourage economic development through regional autonomy and decentralization concepts. With the concept applied, it will facilitate the implementation of development, and, of course, it will impact the welfare felt by the entire community.

OSR is a source of income obtained from within the region, where the collection and management are under the authority of the local government. One of the interesting issues related to fiscal decentralization policy is increasing regional capacity to increase OSR, or taxing power. Nevertheless, the law mandates that an increase in OSR should not create a high-cost economy that hampers public services and the business climate. Theoretically, the size of the potential of OSR in an area is influenced by the economic development of the region concerned, especially in the industrial and service sectors, because these two sectors are the dominant own-source revenue base.

The HDI does not significantly affect the poverty of Kuantan Singingi Regency. The results of this analysis do not conform to the hypothesis that the HDI has a significant negative effect on the poverty of the Kuantan Singingi Regency.

The research results are in line with Sayifullah and Gandasari (2016) that the HDI variable positively affects poverty. It is contrary to the results of Edfrida's (2019) research, which found



that the HDI has no significant effect on the poverty rate, which explains why changes in HDI conditions have not been able to affect changes in poverty.

The Human Development Index (HDI) is "a form of achievement in human development by paying attention to three factors, i.e., health, education, and decent living." The development of human development in the Kuantan Singingi Regency has generally shown improvement over time. In 2021, the HDI in Kuantan Singingi Regency was 70.60. This figure increased by 0.29 points from 2020 when the achievement for the year was 70.31. In the last six years, the HDI of Kuantan Singingi Regency has increased by 1.94 points. The increase in HDI in 2021 was partly due to the recovery of economic activity since the COVID-19 pandemic, where workers began to be given leeway to work and do activities outside the home by paying attention to health protocols.

The value of the HDI is inseparable from the three indicators that make up the index, i.e., health, education, and the economy. In the health sector, the life expectancy (UHH) of Kuantan Singingi Regency is 68.60 years, placing it in the tenth position compared to other regions and cities in Riau Province.

Nowadays, life expectancy at birth in Kuantan Singingi Regency has reached 68.60 years, an increase of 0.68 years compared to 2016. It means that the expectation, i.e., a newborn baby can live longer becomes higher and higher due to the improvement of public health. Technological advances in the health sector, the improvement of health facilities and infrastructure, and public concern for an increasingly healthy lifestyle play a role in improving the quality of public health.

The speed of human development in each region is different, so human development gaps arise. Gaps are problems that always arise in the implementation of devel-

opment, which generally occur due to the uneven distribution of development programs and the uneven opportunity to participate in development programs. Areas or regions that are relatively slow in development experience various difficulties and will make the area or area more lagging other regions or regions.

In general, areas with a lower quality of human development can improve faster than areas with a higher quality of human development. However, it can happen if the development strategy is directed at improving the population's quality so that, in the end, it will increase human development.

However, the determinants of HDI need to be improved, considering that HDI is a determinant of the quality of human resources. Many aspects of HDI need to be developed; one of which is the quality of education. The education expectations in the Kuantan Singingi Regency have not reached the expected figures, and efforts are needed to encourage it. The attempts that can be done are in the form of increasing public awareness about the importance of education for the future so that the human resources in Kuantan Singingi Regency can compete in terms of quality.

## CONCLUSION

The GRDP, Capital Expenditure, and Own-Source Revenue (OSR) variables significantly affect poverty in Kuantan Singingi Regency. Meanwhile, the Human Development Index (HDI) variable does not affect poverty in Kuantan Singingi Regency. The GRDP and OSR negatively affect poverty in Kuantan Singingi Regency. The number of GRDP poor people has increased, so the increase will illustrate that economic capabilities will improve, and the increase in OSR will also encourage a decrease in poverty. The government in Kuantan Singingi Regency is expected to encourage an increase in the receipt of OSR so that it will impact the region's ability to maintain its people's welfare.

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