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THE INFLUENCE OF POVERTY RATE, LOCAL REVENUE, AND CAPITAL EXPENDITURE ON HUMAN DEVELOPMENT QUALITY IN REGENCIES/CITIES IN BALI PROVINCE

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Abstract

Millennials are currently regarded as the dominant generation within the workforce of companies in Indonesia. However, available data indicate that millennial employees report the lowest levels of job satisfaction. Low job satisfaction among employees can reduce workplace productivity and effectiveness. This literature review aims to identify the factors that influence job satisfaction among millennial employees in Indonesia. The study adopts a literature review method by analyzing ten peer-reviewed scientific articles as data sources. The findings of this study are expected to help millennial employees understand the various factors affecting their job satisfaction, thereby enabling them to work more productively and comfortably.

Keywords: *Millennial Job Satisfaction, Job Satisfaction, Job Satisfaction Factors, Generation Y Job Satisfaction*

INTRODUCTION

Economic development is a top priority for developing countries such as Indonesia, not only in terms of achieving economic growth but also in improving welfare, human resource quality, and environmental sustainability. Development places humans both as the actors and ultimate goals, with quality of life measured through the Human Development Index (HDI)—serving as a key indicator of success. Improvements in HDI are influenced by the integration of economic, educational, and health-related factors. High economic growth does not necessarily reflect equitable welfare, as equal distribution of development and access to education and basic services are essential for inclusive and sustainable human development.

Nationally, Indonesia's HDI has shown an upward trend, although it still falls within the medium category globally. In Bali Province, HDI improvements over the past five years reflect the significant roles of the education sector and community purchasing power. HDI achievements vary across regencies and cities in Bali, depending on the level of human capital investment, budget allocations, and regional potential. Therefore, enhancing the quality of human resources is crucial in driving economic growth and improving community productivity. Development planning that considers equitable resource distribution and access will accelerate comprehensive welfare transformation.

Table 1. Human Development Index of Regencies/Cities in Bali Province 2016-2021 (Points)

No	Regency / City	Human Development Index					
		2016	2017	2018	2019	2020	2021
1	Jembrana	70.38	70.2	71.65	72.35	72.36	72.75
2	Tabanan	74.19	74.86	75.45	76.16	76.17	76.45
3	Badung	73.8	80.54	80.87	81.59	81.6	81.83

4	Gianyar	75.7	76.09	76.61	77.14	77.36	77.7
5	Klungkung	69.31	70.13	70.9	71.71	71.73	71.75
6	Bangli	67.03	68.24	68.96	69.35	69.36	69.37
7	Karangasem	65.23	65.57	66.49	67.34	67.35	67.36
8	Buleleng	70.65	71.11	71.7	72.3	72.55	72.56
9	Denpasar	82.58	83.01	83.3	83.68	83.93	84.03
10	Bali	73.65	74.3	74.77	75.38	75.5	75.69

Source:Central Statistics Agency of Bali Province, 2022

In Table 1, the Human Development Index can be seen that the regencies/cities in Bali Province in the last 6 years have increased every year, but the increase tends to be low and there are still disparities between regions, especially in Karangasem Regency due to income and education inequality, the Human Development Index in Denpasar City is higher than Badung Regency, this is because the education factor in Denpasar City is much better when compared to Badung Regency. The phenomenon of lack of equality in the Human Development Index has caused inequality in the handling and priority scale for districts or cities that are more profitable to develop in Bali Province.

In Karangasem and Bangli Regencies, until 2021, the Human Development Index still has not reached 70. This is compared to Denpasar City and Badung Regency, which are developing very rapidly because Badung and Denpasar have become tourism destinations that were previously developed by the Bali provincial government. A factor that influences the Human Development Index is Gross Regional Domestic Product (GRDP). If the amount of Gross Regional Domestic Product results changes, it can affect the population's purchasing power for daily needs. The population's ability to consume goods is related to the Human Development Index, namely the income indicator (Todaro in Bhakti 2012). A factor that also influences the Human Development Index (HDI) is the health facilities sector in government spending. The large amount of budget spending on the health sector should be able to improve the completeness of community needs (Kusumaningrum, 2018).

Poverty is a state of deprivation experienced by a group of people, so that they are unable to enjoy adequate health care, higher education, and/or consume food that is less than healthy. Poor people lack quality, resulting in low productivity, resulting in low economic growth. Low incomes result in the inability to provide adequate clothing, food, and shelter. Meeting basic needs merely to satisfy hunger, without paying attention to nutritional aspects, results in weak immune systems, making them susceptible to disease. Poor people are trapped in a never-ending cycle called a vicious circle (Seran, 2017).

The cause of poverty is a never-ending cycle of poverty. Low quality human resources leads to low work productivity. Low productivity results in low income. Low income will have implications for low savings and investment, resulting in low capital accumulation and impacting limited employment opportunities and increasing unemployment. The increasing number of unemployed leads to an increase in the number of poor people (Hariawan and Swaningrum, 2015). The problem of poverty arises because some people are still unable to manage their lives to a humane level. This situation results in a decline in the quality of human resources, which leads to decreased productivity and income. There are several factors contributing to the emergence of poverty, namely: low quality human resources, uncontrolled management of natural resources (SDA), still low levels of education, lack of knowledge in developing the economic sector, high

unemployment rates, continued decline in economic growth, and many other factors contributing to the emergence of poverty (Purnama, 2017).

The concept of human development is about expanding human choices, especially in meeting basic needs such as health, education, and purchasing power. Therefore, a region with good human development quality can be measured by its low percentage of poor people (Community Development Index, 2007). According to Samuelson and Nordhaus (1997), the causes and occurrence of poverty in low-income countries are due to two main factors: low levels of health and nutrition and slow improvements in the quality of education. Therefore, the first effort that the government must take is to eradicate disease, improve health and nutrition, improve the quality of education, eradicate illiteracy, and improve the skills of its population. These five things are efforts to improve the quality of Human Resources (HR). If these things can be done immediately, the population can use capital more effectively, absorb new technologies, and learn from their mistakes. If this is supported by the provision of adequate public facilities, poverty will soon be eradicated. Therefore, low levels of education, skills, and health, as well as limited public facilities, are the causes of social inequality.

The poverty percentage rate in Bali Province fluctuates from year to year and tends to decrease.As shown in Table 1.2, the poverty rate in 2019 was the lowest in the past six years. However, in 2020 and 2021, there was a significant increase due to the COVID-19 pandemic, which resulted in people losing their jobs and no longer being able to meet their living expenses.

Table 2. Percentage of Poor Population in Regencies/Cities in Bali Province 2016-2021 (Percent)

No	Regency / City	Percentage of Poor Population					
		2016	2017	2018	2019	2020	2021
1	Jembrana	5.33	5.38	5.2	4.88	4.51	5.06
2	Tabanan	5	4.92	4.46	4.21	4.27	5.12
3	Badung	2.06	2.06	1.98	1.78	2.02	2.62
4	Gianyar	4.44	4.46	4.19	3.38	4.08	4.85
5	Klungkung	6.35	6.29	5.86	5.4	4.87	5.56
6	Bangli	5.22	5.23	4.89	4.44	4.19	5.09
7	Karangasem	6.61	6.55	6.28	6.26	5.91	6.78
8	Buleleng	5.79	5.74	5.36	5.19	5.32	6.12
9	Denpasar	2.15	2.27	2.24	2.1	2.14	2.96
10	Bali	4.25	4.25	4.01	3.79	3.78	4.53

Source:Central Statistics Agency of Bali Province, 2022

To increase the HDI, it is not only based on economic growth alone, but also requires development from all aspects. In order for economic growth to be in line with human development, it needs to be accompanied by equitable development. With equitable development, there is a guarantee that all residents feel the results of the development (Ardiansyah and Widiyaningsih, 2014). To run a government that is directly carried out by the region, of course, it will be very much supported by the region's own income. The more income generated by the region, the region will be able to meet and finance the needs expected by the community (Christy and Adi, 2009). The increase in Regional Original Income (PAD), General Allocation Fund (DAU) and Special Allocation

Fund (DAK) allows for an increase in community welfare as measured by the Human Development Index (HDI) if the allocation of these funds is appropriate and runs according to targets.

The success of local governments in increasing regional income should be balanced by improving regional economic performance in developing and improving the welfare of their communities. Decision-making by local governments will be more listened to in fulfilling diverse local choices so that it is more useful for allocation efficiency (Fajri, et al., 2015). Regional governments must be financially independent from the central government, namely by exploring as many sources of PAD as possible such as taxes, levies, and so on. The principles of regional financial management consist of: responsibility, being able to fulfill financial obligations, honesty, efficiency and funds, control (Hutaluju, et al., 2011). Rich in culture and customs, Bali is known as a world tourism destination, of course the tourism sector is the backbone of economic growth in Bali (Artana, 2015), with this attraction, the original regional income of Bali Province tends to be large, and its contribution continues to increase and will influence regional revenues which are expected to be a source of funding to improve public services in the form of infrastructure development, so that it is expected to be able to improve the welfare of its people (Delavallade, 2006).

Table 3. Original Regional Income of Regencies/Cities in Bali Province 2016-2021 (Million Rupiah)

No	Regency / City	Locally-generated revenue					
		2016	2017	2018	2019	2020	2021
1	Jembrana	318.8	426.63	363.37	313.3	313.04	362.31
2	Tabanan	3,563.45	4,172.45	4,555.71	4,435.18	2,116.97	1,750.34
3	Badung	529.86	662.75	770.2	997.47	545.86	430.17
4	Gianyar	134.14	153.21	186.97	225.5	220.89	254.49
5	Klungkung	104.82	104.45	122.68	127.04	104.32	163.53
6	Bangli	318.8	198.57	200.36	233.01	219.17	252.68
7	Karangasem	282.11	455.19	335.55	365.59	318.98	392
8	Buleleng	807.7	1,008.71	940.11	1,010.77	731.26	792.36
9	Denpasar	3,041.19	3,398.47	3,718.99	4,023.15	3,069.47	3,117.07
10	Bali	318.8	426.63	363.37	313.3	313.04	362.31

Source:Central Statistics Agency of Bali Province, 2022

Based on Table 3, Bali's Regional Original Revenue (PAD) fluctuated from 2016 to 2021, with Badung Regency and Denpasar City consistently recording the highest PAD due to well-managed regional potential and numerous tourist destinations and taxable objects. Although PAD generally increases annually, the COVID-19 pandemic caused a significant decline in 2021–2022. In driving economic growth, the role of local governments is crucial through effective spending, particularly capital expenditures on infrastructure that can create jobs and reduce unemployment. Regional spending is divided into direct spending directly felt by the public and indirect spending for government operations. Investment through infrastructure development aims not only to generate profits but also to stimulate the economy. However, budget allocations are often influenced by political interests, thus compromising the effectiveness of capital spending in addressing public

needs. Therefore, a greater proportion of regional spending should be directed toward development and public programs to improve public services and welfare.

Table 4. Capital Expenditure of Regencies/Cities in Bali Province 2016-2021 (Million Rupiah)

No	Regency / City	Capital Expenditure					
		2016	2017	2018	2019	2020	2021
1	Jembrana	324.63	243.74	344.65	218.39	83.29	85.04
2	Tabanan	257.09	290.56	218.23	187.18	184.67	310.95
3	Badung	1,195.11	1,241.11	906.76	824.66	452.9	100.42
4	Gianyar	309.91	409.36	297.02	250.35	416.03	1,245.69
5	Klungkung	144.1	188.79	149.85	129.43	116.43	86.14
6	Bangli	250.22	158.61	181.2	151.26	57.14	183.28
7	Karangasem	190.43	237.06	144.9	156.23	81.57	143.66
8	Buleleng	345.14	295.22	204.31	274.87	259.44	202.52
9	Denpasar	257.66	251.62	258.4	293.7	95.12	102.37
10	Bali	730.92	660.43	440.71	556.75	458.44	839.01

Source:Central Statistics Agency of Bali Province, 2022

Table 5 shows that capital expenditure by the Province of Bali over the past six years has fluctuated. Several regencies have shown varying levels of capital expenditure due to each regency/city government managing its own capital spending. However, there was a notable decrease in capital expenditure in 2020 across all regencies/cities due to the COVID-19 pandemic, which led to budget constraints on capital allocations.

METHOD

This study adopts a quantitative approach with an associative design, aiming to analyze the influence of Poverty Rate, Regional Original Revenue (PAD), and Capital Expenditure on Human Resource Quality in Bali Province. The research was conducted across nine regencies/cities—Jembrana, Tabanan, Badung, Gianyar, Klungkung, Bangli, Karangasem, Buleleng, and Denpasar City selected due to the existing disparities in the Human Development Index (HDI) among these regions. The study focuses on four main variables: Poverty Rate, Regional Original Revenue (PAD), Capital Expenditure, and Human Resource Quality, measured using the Human Development Index (HDI).

The study utilizes time series and cross-sectional data over a six-year period (2016–2021), resulting in a total of 54 observations. The data consist of quantitative information in the form of percentages, values in millions of rupiah, and HDI scores, as well as qualitative data in the form of descriptions, tables, graphs, and schemes. The data sources were obtained from the Central Statistics Agency (BPS) of Bali Province, serving as both primary and secondary data. Data collection was conducted through non-participant observation by utilizing documents, reports, and official publications related to the research variables.

The data analysis technique employed is multiple linear regression to examine the simultaneous and partial effects of the independent variables on the dependent variable, using SPSS version 25. Classical assumption tests, including normality, multicollinearity, and heteroscedasticity tests, were conducted to ensure the validity of the regression model. Additionally, an F-test was used to assess the simultaneous effect, and t-tests were

conducted to evaluate the partial influence of each independent variable on human resource quality in the regencies/cities of Bali Province.

RESULTS AND DISCUSSION

Description of Research Data

Development of Regional Original Revenue of Regencies/Cities in Bali Province

Table 5. Original Regional Income of Regencies/Cities in Bali Province 2016-2021 (Million Rupiah)

No	Regency / City	Locally-generated revenue					
		2016	2017	2018	2019	2020	2021
1	Jembrana	318.8	426.63	363.37	313.3	313.04	362.31
2	Tabanan	3,563.45	4,172.45	4,555.71	4,435.18	2,116.97	1,750.34
3	Badung	529.86	662.75	770.2	997.47	545.86	430.17
4	Gianyar	134.14	153.21	186.97	225.5	220.89	254.49
5	Klungkung	104.82	104.45	122.68	127.04	104.32	163.53
6	Bangli	318.8	198.57	200.36	233.01	219.17	252.68
7	Karangasem	282.11	455.19	335.55	365.59	318.98	392
8	Buleleng	807.7	1,008.71	940.11	1,010.77	731.26	792.36
9	Denpasar	3,041.19	3,398.47	3,718.99	4,023.15	3,069.47	3,117.07
10	Bali	318.8	426.63	363.37	313.3	313.04	362.31

Source:Central Statistics Agency of Bali Province, 2022

As seen from Table 5that the development of PAD of regencies/cities in Bali Province in 2016-2021 tended to increase, the total income of Bali Province for five years was IDR 2,134.08 billion. However, if we look closely at each regency/city, there are still regencies that experienced a decline from 2019 to 2020, namely Tabanan Regency, Buleleng, and Denpasar City. The highest PAD in 2019 was held by Badung Regency at IDR 4023.15 billion, greater than the total PAD obtained by Bali Province in 2017 of IDR 4266.3 billion. This happened because Badung Regency is the center of tourism in Bali Province, so that all economic activities can grow and develop rapidly in Badung Regency. However, the rapidly growing economic activities in Badung Regency cannot be followed by other regencies, so that this causes inequality in regional original income between districts/cities in Bali Province.

Development of Capital Expenditure in Districts and Cities in Bali Province.

Table 6. Capital Expenditure of Regencies/Cities in Bali Province 2016-2021 (Million Rupiah)

No	Regency / City	Capital Expenditure					
		2016	2017	2018	2019	2020	2021
1	Jembrana	324.63	243.74	344.65	218.39	83.29	85.04
2	Tabanan	257.09	290.56	218.23	187.18	184.67	310.95
3	Badung	1,195.11	1,241.11	906.76	824.66	452.9	100.42
4	Gianyar	309.91	409.36	297.02	250.35	416.03	1,245.69
5	Klungkung	144.1	188.79	149.85	129.43	116.43	86.14
6	Bangli	250.22	158.61	181.2	151.26	57.14	183.28
7	Karangasem	190.43	237.06	144.9	156.23	81.57	143.66
8	Buleleng	345.14	295.22	204.31	274.87	259.44	202.52

9	Denpasar	257.66	251.62	258.4	293.7	95.12	102.37
10	Bali	730.92	660.43	440.71	556.75	458.44	839.01

Source:Central Statistics Agency of Bali Province, 2022

Development of poverty levels in the regencies/cities of Bali Province

Table 7. Percentage of Poor Population in Regencies/Cities in Bali Province 2016-2021 (Percent)

No	Regency / City	Percentage of Poor Population					
		2016	2017	2018	2019	2020	2021
1	Jembrana	5.33	5.38	5.2	4.88	4.51	5.06
2	Tabanan	5	4.92	4.46	4.21	4.27	5.12
3	Badung	2.06	2.06	1.98	1.78	2.02	2.62
4	Gianyar	4.44	4.46	4.19	3.38	4.08	4.85
5	Klungkung	6.35	6.29	5.86	5.4	4.87	5.56
6	Bangli	5.22	5.23	4.89	4.44	4.19	5.09
7	Karangasem	6.61	6.55	6.28	6.26	5.91	6.78
8	Buleleng	5.79	5.74	5.36	5.19	5.32	6.12
9	Denpasar	2.15	2.27	2.24	2.1	2.14	2.96
10	Bali	4.25	4.25	4.01	3.79	3.78	4.53

Source:Central Statistics Agency of Bali Province, 2022

Development of the Human Development Index in Bali Province

Table 8. Human Development Index of Regencies/Cities in Bali Province 2016-2021 (Points)

No	Regency / City	Human Development Index					
		2016	2017	2018	2019	2020	2021
1	Jembrana	70.38	70.2	71.65	72.35	72.36	72.75
2	Tabanan	74.19	74.86	75.45	76.16	76.17	76.45
3	Badung	73.8	80.54	80.87	81.59	81.6	81.83
4	Gianyar	75.7	76.09	76.61	77.14	77.36	77.7
5	Klungkung	69.31	70.13	70.9	71.71	71.73	71.75
6	Bangli	67.03	68.24	68.96	69.35	69.36	69.37
7	Karangasem	65.23	65.57	66.49	67.34	67.35	67.36
8	Buleleng	70.65	71.11	71.7	72.3	72.55	72.56
9	Denpasar	82.58	83.01	83.3	83.68	83.93	84.03
10	Bali	73.65	74.3	74.77	75.38	75.5	75.69

Source:Central Statistics Agency of Bali Province, 2022

Table 8 shows that the Human Development Index (HDI) has consistently increased between 2016 and 2021. The increase in the last two years, from 2020 to 2021, was only around 1%, lower than the previous year's 0.65. The lowest HDI in Bali Province was in Karangasem Regency in 2016, at 65.23. Meanwhile, the highest HDI was in Denpasar City, at 81.83 in 2021. This indicates an imbalance in HDI achievement between regencies/cities in Bali Province due to differences in the quality of human resources. The HDI in Bali Province is expected to continue to increase annually, followed by an increase in the HDI in each regency/city within the province.

Normality Test

Table 9. Normality Test Results

One-Sample Kolmogorov-Smirnov Test

		Unstandardized Residual
N		54
Normal Parametersa,b	Mean	.0000000
	Standard Deviation	.05390967
Most Extreme Differences	Absolute	.103
	Positive	.103
	Negative	-.076
Test Statistics		.103
Asymp. Sig. (2-tailed)		.200c,d

a. Test distribution is Normal.
b. Calculated from data.
c. Lilliefors Significance Correction.
d. This is a lower bound of the true significance.

Source:Data processed, (2024)

Multicollinearity Test

Table 10. Multicollinearity Test Results

Coefficients[a]

		Unstandardized Coefficients		Standardized Coefficients			Collinearity Statistics	
Model		B	Std. Error	Beta	t	Sig.	Tolerance	VIF
1	(Constant)	.011	.039		.269	.789		
	Poverty Rate	-.037	.010	-.392	-3,642	.001	.964	1,037
	PAD	.021	.006	.379	3,568	.001	.992	1,008
	Capital Expenditure	.030	.011	.284	2,631	.011	.957	1,045

a. Dependent Variable: Abs_Res

Source: Data Processed by Researchers (2024)

Based on Table 10, the results of the multicollinearity test show that all independent variables have a tolerance value > 0.10, and all independent variables have a VIF value < 10. It can be said that the regression model created does not show symptoms of multicollinearity.

Heteroscedasticity Test

Table 11. Heteroscedasticity Test Results

Coefficients[a]

	Unstandardized Coefficients		Standardized Coefficients		
Model	B	Std. Error	Beta	t	Sig.

1	(Constant)	.011	.039		.269	.789
	Poverty Rate	.014	.005	.320	2,660	.060
	PAD	.010	.003	.386	3,263	.072
	Capital Expenditure	-.010	.006	-.207	-1,717	.092

a. Dependent Variable: Abs_Res

Source: Data Processed by Researchers (2024)

Based on Table 11 From the results, it is shown that each model has a significance value greater than 5% (0.05), namely 0.060, 0.072, and 0.092. This indicates that the independent variables used in this study do not significantly influence the dependent variable, namely the absolute residual, so this study is free from symptoms of heteroscedasticity.

Multiple Linear Regression Analysis Test Results

Table 12. Multiple Linear Regression Test Results

Coefficients[a]

Model		Unstandardized Coefficients		Standardized Coefficients		
		B	Std. Error	Beta	t	Sig.
1	(Constant)	4,061	.074		54,532	.000
	Poverty Rate	-.037	.010	-.392	-3,642	.001
	PAD	.021	.006	.379	3,568	.001
	Capital Expenditure	.030	.011	.284	2,631	.011

a. Dependent Variable:Human Resources Quality

Source: Data Processed by Researchers (2024)

So the regression equation obtained based on the table above is:

$Y = a + \beta_1X_1 + \beta_2X_2 + \beta_3X_3 + u$

$Y = 4.061 - 0.037\ X_1 + 0.021\ X_2 + 0.030\ X_3$

Y = Human Development Index (Points)

X1 = Poverty Rate (Percent)

X2 = Regional Original Income (Million Rupiah)

X3 = Capital Expenditure (Million Rupiah)

u = StandardError

1) The constant value of 4.061 means that if the Poverty Level (X1), Regional Original Income (PAD) (X2), and Capital Expenditure (X3) are constant, then the average value of Human Resource Quality (Y) is 4.061 points.
2) The regression coefficient value of the Poverty Level (X1) is -0.037, meaning that if the Poverty Level variable (X1) increases by 1 percent, the Quality of Human Resources (Y) will decrease by 0.037 points.
3) The regression coefficient value of Regional Original Income (PAD) (X2) is 0.021, meaning that if the Regional Original Income (PAD) (X2) variable increases by 1 million rupiah, the Quality of Human Resources (Y) will increase by 0.021 points.

4) The regression coefficient value of Capital Expenditure (X3) is 0.030, meaning that if the Capital Expenditure variable (X3) increases by 1 million rupiah, the Quality of Human Resources (Y) will increase by 0.030 points.

Simultaneous Significance Test (F Test)

Table 13. F Test Results Table

ANOVA

Model		Sum of Squares	df	Mean Square	F	Sig.
1	Regression	.121	3	.040	13,126	.000b
	Residual	.154	50	.003		
	Total	.275	53			

a. Dependent Variable: QualityHR

b. Predictors: (Constant), ShoppingCapital, AmountPoverty, PAD

Source: Data Processed by Researchers (2024)

Based on the F-test results in Table 13, the F-value was 13.126, which is greater than the F-table value of 2.76. This indicates that the null hypothesis (H_0) is rejected and the alternative hypothesis (H_1) is accepted, meaning that simultaneously, the variables of Poverty Rate (X1), Local Own-Source Revenue (PAD) (X2), and Capital Expenditure (X3) have a significant effect on the Human Development Quality (Y).

Discussion

Effect of Poverty Rate (X1) on Human Development Quality (Y)

The findings reveal that the poverty rate has a negative and significant effect on human development quality, indicated by a coefficient of -0.037, a t-value of -3.642, and a significance value of 0.001, which is less than the threshold of 0.05. This supports the research hypothesis (H2), stating that the poverty rate negatively and significantly influences human development quality. An increase in poverty leads to a decline in human resource quality, and conversely, a decrease in poverty leads to its improvement. In Bali, the poverty rate declined from 2016 to 2019 but increased again in 2020–2021 due to the COVID-19 pandemic's disruption of economic activity. This contrasts with the Human Development Index, which steadily increased during the same period, suggesting that poverty exerts a negative influence on human development. A lower poverty rate reflects better economic conditions and higher human capital quality, which enables individuals to work and meet their needs. These results are consistent with the study by Magdalena et al. (2020), which found a significant negative relationship between poverty and human development in North Sulawesi Province.

Effect of Local Own-Source Revenue (PAD) (X2) on Human Development Quality (Y)

The test results indicate that PAD has a positive and significant effect on human development quality, with a coefficient of 0.021, a t-value of 3.568, and a significance value of 0.001. Since the p-value is lower than 0.05, the result supports hypothesis (H3), confirming that higher PAD contributes to higher human development quality. Increased local revenue enables regions to invest more in education, health, and infrastructure, which directly enhance the well-being and capabilities of their populations.

Effect of Capital Expenditure (X3) on Human Development Quality (Y)

Capital expenditure also shows a positive and significant impact on human development quality, with a coefficient of 0.030, a t-value of 2.631, and a p-value of 0.011 ($p < 0.05$). These findings are consistent with hypothesis (H4), indicating that increased capital spending on infrastructure, health, education, and other public services improves human development outcomes. Capital investments not only create employment opportunities but also improve access to essential services that elevate the overall quality of life.

Simultaneous Effect of Poverty Rate (X1), PAD (X2), and Capital Expenditure (X3) on Human Development Quality (Y)

Jointly, the variables Poverty Rate (X1), Local Own-Source Revenue (PAD) (X2), and Capital Expenditure (X3) have a significant simultaneous effect on human development quality. This is evidenced by an F-statistic of 13.126, which exceeds the F-table value of 2.76, and a significance value of 0.000, which is less than $\alpha = 0.05$. Thus, the research hypothesis (H1) is accepted, affirming that these three variables collectively contribute to explaining variations in human development across regencies and cities in Bali Province.

CONCLUSION

Based on the analysis of the influence of Poverty Rate, Local Own-Source Revenue (PAD), and Capital Expenditure on Human Development Quality in Bali Province, the following conclusions can be drawn:

1. Poverty rate has a negative and significant impact on human development quality; an increase in poverty leads to a decline in human development, while a reduction in poverty enhances it.
2. PAD has a positive and significant effect on human development quality; higher PAD allows regions to improve services and infrastructure that contribute to better human capital outcomes.
3. Capital expenditure has a positive and significant impact on human development quality; increased capital spending fosters improvements in public facilities and services, thereby enhancing the population's well-being.
4. Poverty Rate, PAD, and Capital Expenditure jointly and significantly affect human development quality; these variables are interlinked and must be considered together in designing regional development strategies.

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