The Influence Of Village Funds And Allocation Of Village Funds And Financial Assistance On Poverty Alleviation In East Kalimantan Province

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Abstract
The aim of this research is to determine and prove the effect of providing village funds, allocation of village funds and provincial financial assistance on the level of welfare of village communities in districts throughout East Kalimantan as viewed from a development economics perspective. The analytical method used in this research is a panel data regression model. Data processing techniques were carried out using the Eviews 7.0 computer program. The research results show that Village Funds have a positive and significant effect on poverty alleviation. This means that the greater the distribution of village funds, the more poverty alleviation programs in the village will increase; Allocation of village funds has a significant positive effect on poverty alleviation. This means that the greater the distribution of village fund allocations, the more poverty alleviation programs in the village will increase; Provincial financial assistance has a significant positive effect on poverty alleviation. This means that the greater the distribution of provincial financial assistance, the more poverty alleviation programs will increase; Village funds, village fund allocation and provincial financial assistance simultaneously have a significant effect on poverty alleviation. This means that the distribution of village funds, allocation of village funds and provincial financial assistance have a significant impact on poverty alleviation in villages.

Keywords: Poverty Alleviation, Village Funds, Village Fund Allocation, Provincial Financial Assistance

INTRODUCTION

Poverty is a National Problem as a result of the limited and absence of infrastructure available in a region regardless of whether or not there is attention from the government and is a priority target in the implementation of development both at the central and regional levels. Globally, the problem of poverty is specifically stated in the sustainable development gold goal. (SDG's). Poverty occurs because a person's income or consumption level is low compared to welfare standards such as the poverty line, a person's inability to achieve aspects beyond income such as access to basic needs such as health, education, clean water, sanitation and others, (UU. No. 25 /2000 about Propenas).

East Kalimantan Province is currently facing the problem of poverty, the main problem of poverty in the Province is the high level of poverty disparities between urban and rural areas. The Central Statistics Agency for East Kalimantan Province recorded that the poverty rate in urban areas in 2022 was around 3.94 percent, while the poverty rate in rural areas was almost three times higher, namely around 8.76 percent.

The village law is a form of recognition of the state's respect and commitment in protecting and empowering villages so that they become strong, advanced, independent and democratic so that they can create a strong foundation for implementing governance and development towards a just, prosperous and prosperous society.

The government in general has made efforts to alleviate poverty in rural areas through various programs, including village funds sourced from the APBN from 2015 to 2022 which have been budgeted at IDR 5,674.8 billion and the East Kalimantan Provincial Government's Financial Assistance to Regencies in East Kalimantan Province has been budgeted at IDR 5,674.8 billion. IDR 6,269.6 billion, where the budget amount is adjusted to the financial capacity of the East Kalimantan Provincial Government and the level of absorption of the realization of the financial assistance budget of each region,

Efforts to eradicate poverty in rural areas through village community empowerment programs through the provision of village funds and provincial financial assistance as well as the allocation of village funds have given the impression that the success of alleviating poverty in rural areas does not necessarily depend on providing these funds. The village has created a new paradigm in development and community empowerment, namely providing the view that poverty is not just a low level of income, but also low access of village communities to various basic social needs (education, health, etc.) and requires the community's economy.

LITERATURE REVIEW
Development Theory

Village Fund Distribution (DD) and Village Fund Allocation (ADD) Programs as well as East Kalimantan Province Financial Assistance for every village in East Kalimantan as an effort by the central government and provincial government to carry out development and alleviate poverty in rural areas, to improve the welfare of the people in the villages by through village development and village community empowerment programs that involve all potential and village communities.

According to Deddy T. Tikson (2005) national development is defined as deliberate economic, social and cultural transformation through policies and strategies towards the desired direction. Transformation in the economic structure is seen through an increase or rapid growth in production in the industrial and service sectors, so that their contribution to national income becomes greater. Social transformation is seen through the distribution of prosperity through equal access to socio-economic resources, such as education, health, housing, clean water, recreational facilities, and participation in the political decision-making process. Meanwhile, cultural

transformation is often associated with the rise of the national spirit and nationalism, in addition to changes in the values and norms adopted by society, such as changes from spiritualism to materialism/secularism. A shift from high assessment to mastery of material, from traditional institutions to modern and rational organizations.

Transfer Theory

Transfer or Grant theory is a derivative of Development Theory in the dependency theory school, which focuses more on issues of underdevelopment and development of peripheral areas. Providing village funds and provincial financial assistance is a form of implementation of underdeveloped regional development, where villages as recipients of assistance are required to become independent and self-reliant so that in the future they will no longer depend on other economic assistance factors.

According to Law Number 33 of 2004, the central government is obliged to provide fund transfers (Grants) to regional governments with the hope that the regions will be able to allocate them to productive sectors that are able to encourage increased investment which will have an impact on improving public services, thereby increasing the contribution of Original Income Regional (PAD) in financing regional needs.

Poverty Theory

Poverty is the inability to meet minimum standards of basic needs which include food and non-food needs (Central Statistics Agency, 2019). Meanwhile, according to Bappenas, poverty is a condition where a person or group of people is unable to fulfill basic rights to maintain and develop a dignified life. These rights include meeting the needs for food, clothing, shelter, health, education, employment, housing, clean water, land, natural resources, the environment, a sense of security, threats, acts of violence and the right to participate in social and political life (Bappenas, 2019).

Village

A village is a legal community unit that has territorial boundaries with the authority to regulate and manage government affairs, the interests of local communities based on community initiatives, origin rights, and/or traditional rights that are recognized and respected in the government system of the Unitary State of the Republic of Indonesia (UU no. 6 of 2014).

Villages existed before Indonesia was formed. as proof of its existence, the explanation of article 18 of the 1945 Constitution of the Republic of Indonesia (before the amendment) states that, within the territory of the State of Indonesia there are approximately 250 "Zelfbesturende landschappen" and "Volksgemeenschappen". Such as villages in Java and Bali, Nagari in Minangkabau, Dusun and Marga in Palembang, Kampung in Kalimantan, and so on.

Village Fund

According to the Village Law, Village Funds are defined as funds originating from the APBN intended for Villages which are transferred through the Regency/City APBD and used to finance government administration, implementation of development, community development and community empowerment.

Village funds are sourced from the State Revenue and Expenditure Budget (APBN) which is transferred through the Regional Revenue and Expenditure Budget (APBD) of the City Regency. The aim of providing village funds is to improve the welfare of village communities and the quality of life of village communities as well as overcome village poverty through improving public services in villages, improving the village economy, overcoming development gaps between villages and strengthening village communities as subjects of development.

RESEARCH METHODS

Research design

This research is to determine the relationship between the independent variable and the dependent variable. The independent variables, namely village funds (DD) and Village Fund Allocation (ADD) as well as Provincial Financial Assistance (Bankeu), will be examined for their influence on the dependent variable, namely the number of poor people in East Kalimantan Province from 2015 to 2022.

Data collection technique

This research uses non-participant observation techniques, non-participant observation techniques are a method of collecting data by observing directly. This process takes place by observation which includes viewing, recording, counting, measuring and recording events. In the initial stage, observations are carried out in general, the researcher collects as much data or information as possible. The next stage, researchers must carry out focused observations, namely starting to narrow down the data or information needed so that researchers can find patterns of behavior and relationships that continuously occur. (Harwijaya, 2007: 74).

The observation technique in this research is to examine the realization of Village Fund financial data and Village Fund Allocation (ADD) as well as Financial Assistance that has been disbursed to the Region (Village Government) which is the research sample and its conformity with the observed research variables. Number of Poor People in East Kalimantan Province, and Village Infrastructure Development in East Kalimantan Province 2015-2022.

Data analysis technique

Sugiyono (2010:206) states that data analysis is an activity after data from all respondents has been collected. The analytical method used in this research is a panel data regression model. Data processing techniques were carried out using the Eviews 7.0 computer program.

RESEARCH RESULTS AND DISCUSSION

Estimation Results with the Common Effect Model

The estimation results of the common effect model can be seen in the following table:

Table 1

Estimation Results with the Common Effect Model

Variable	Coefficient	Std. Error	t-Statistic	Prob.
C	0.181528	0.415232	1.642771	0.6372
DD?	4.799608	12.10292	0.396566	0.6943
Alokasi_DD?	1.505719	0.291021	5.173924	0.0000
Bankeu	2.816161	0.516171	1.027181	0.1618

R-squared	-0.039534	Mean dependent var	26.39657
Adjusted R-squared	-0.104505	S.D. dependent var	20.01797
S.E. of regression	21.03797	Akaike info criterion	9.012352
Sum squared resid	14163.08	Schwarz criterion	9.145667
Log likelihood	-154.7162	Hannan-Quinn criter.	9.058372
Durbin-Watson stat	1.403336		

Based on table 1, a panel regression equation can be prepared with the Common Effect model as follows: $Y = 0.181528 + 4.799608_{DD} + 1.505719_{ADD} + 2.816161 Bankeu$

Estimation Results with the Fixed Effect Model

The estimation results of the fixed effect model can be seen in the following table:

Table 2

Estimation Results *Fixed Effect*

Variable	Coefficient	Std. Error	t-Statistic	Prob.
C	-6.999143	20.73644	-0.337529	0.7385
DD?	9.174996	16.05277	2.571552	0.0027
ADD?	1.923686	1.131336	1.700367	0.0015
Bankeu	1.732143	1.243151	2.213151	0.0008
Fixed Effects				
(Cross)				
_Berau—C	-10.06416			
_Kutaika--C	-13.65232			
_KutaiBa—C	-6.766927			
_KutaiTi--C	21.12289			
_Paser--C	13.03554			
_Penajam—C	-6.179284			
_Mahakam—C	2.504266			

Effects Specification

Cross-section fixed (dummy variables)

R-squared	0.263844	Mean dependent var	26.39657
Adjusted R-squared	0.251172	S.D. dependent var	20.01797
S.E. of regression	20.02969	Akaike info criterion	9.067265
Sum squared resid	10029.71	Schwarz criterion	9.511650
Log likelihood	-148.6771	Hannan-Quinn criter.	9.220667
F-statistic	12.995579	Durbin-Watson stat	1.378145
Prob(F-statistic)	0.000470		

Source : Output Eviews Ver 9.0

Estimation Results Using the Random Effect Model

The results of the random effect model estimation can be seen in the following table:

Table 3

Estimation Results *Random Effect*

Variable	Coefficient	Std. Error	t-Statistic	Prob.
C	21.04294	15.61285	1.347797	0.1875
DD?	-4.081742	13.27397	-0.307500	0.7605
ADD?	0.411494	0.857840	0.479686	0.6348
Bankeu?	0.315151	0.315161	0.541516	0.5361
Random Effects (Cross)				
_BERAU—C	1.637341			
_KUTAIKA—C	-5.436428			
_KUTAITI—C	-4.233733			
_PASER—C	6.425232			
_PENAJAM—C	-8.352432			
_MAHAKAM—C	-9.623452			

Effects Specification		S.D.	Rho
Cross-section random		0.000000	0.0000
Idiosyncratic random		20.02969	1.0000

Weighted Statistics			
R-squared	0.013956	Mean dependent var	26.39657
Adjusted R-squared	-0.081467	S.D. dependent var	20.01797
S.E. of regression	20.81741	Sum squared resid	13434.30
F-statistic	0.146258	Durbin-Watson stat	1.556763

Prob(F-statistic)	0.931303		

Unweighted Statistics			
R-squared	0.013956	Mean dependent var	26.39657
Sum squared resid	13434.30	Durbin-Watson stat	1.556763

Source : Output Eviews Ver 9.0

Simultaneous Test Results

Table 4

Simultaneous Test Results

R-squared	0.263844	Mean dependent var	26.39657
Adjusted R-squared	0.251172	S.D. dependent var	20.01797
S.E. of regression	20.02969	Akaike info criterion	9.067265
Sum squared resid	10029.71	Schwarz criterion	9.511650
Log likelihood	-148.6771	Hannan-Quinn criter.	9.220667
F-statistic	12.995579	Durbin-Watson stat	1.378145
Prob(F-statistic)	0.000470		

Source : Output Eviews ver 9.0

Based on the F test results in table 4.11 above, it can be seen that the calculated F value is 12.995579 with a significance level of 0.000470. The Ftable value is at a significance level of 0.05 with df1 (number of variables-1) = 3-1 = 3, and df3 (n-k) = 52-3 = 49, the results obtained for Ftable are 2.79. Because Fcount > Ftable (12.995579 > 2.79), then H0 is rejected and Ha is accepted, meaning that Village Funds and village fund allocation have a simultaneous and significant effect on poverty alleviation.

Partial Test Results

Table 5

Partial Test Results

Variable	Coefficient	Std. Error	t-Statistic	Prob.
C	-6.999143	20.73644	-0.337529	0.7385

DD	9.174996	16.05277	2.571552	0.0027
ADD	1.923686	1.131336	1.700367	0.0015
BANKEU	1.732143	1.243151	2.213151	0.0008

Source : Output Eviews ver 9.0

Based on the results of testing the Village Fund variable for poverty alleviation, it produces a statistical value of t (tcount) of 2.571552. For the ttable value, a significance value of 0.05 is sought and the degree of freedom df = n-k-1 or 52-2 = 50. The result obtained is a ttable of 1.675. Because the value of tcount > ttable (2.571552 > 1.675) with a significance of 0.0027 < 0.05, Ha is accepted and Ho is rejected, meaning that Village Funds have a significant positive effect on poverty alleviation.

Discussion

The Influence of Village Funds and Village Fund Allocations and Financial Assistance on Poverty Alleviation

Based on the results of the F test, the results show that Village Funds and village fund allocation have a simultaneous and significant effect on poverty alleviation.

Village Funds are financial resources allocated by the central government to villages throughout the country. The use of these funds varies from infrastructure development to community empowerment programs. The influence of Village Funds on poverty alleviation can be explained through the effectiveness of their use to improve the welfare of village communities, such as developing basic infrastructure, education, health and economic empowerment programs.

Village Fund Allocation refers to the process of distributing village funds from the central government to the regions. This allocation arrangement is important because it can affect the equality of development between regions. Analysis of the relationship between Village Fund Allocations and poverty alleviation will include the extent to which these allocations are able to achieve poverty reduction targets at the local level.

Financial assistance from the government can take the form of direct social assistance to poor individuals or families, job training programs, subsidies for education and health, as well as economic empowerment programs. The impact of financial assistance on poverty alleviation will depend on program design, target beneficiaries, and efficiency of implementation. Through a comprehensive analysis of the relationship between Village Funds, Village Fund Allocations, and Financial Assistance and poverty alleviation, it is hoped that it can provide a better

understanding of effective strategies in overcoming poverty problems at the local level. This research can also provide valuable input for policy makers in designing more efficient and impactful programs in fighting poverty.

The Influence of Village Funds on Poverty Alleviation

Based on the research results, it can be seen that the Village Fund variable has a significant positive influence on poverty alleviation. This means that the larger the Village Fund, the greater the increase in poverty alleviation.

Poverty alleviation is a major goal for many countries, especially in developing countries. Village Funds are one of the instruments used by the government to achieve this goal. The relationship between Village Funds and poverty alleviation is an important and interesting topic to analyze in detail.

Village Funds are allocations of funds given to villages in a country by the central government. The aim of the Village Fund is to empower local communities, reduce the gap between urban and rural areas, and improve the welfare of rural residents. One important indicator of welfare is the level of poverty in villages. Village Funds are a significant financial resource for villages. This allows them to carry out various development programs, such as basic infrastructure, education, health, and productive economic programs. With these resources, villages can reduce poverty levels by increasing their residents' access to basic services and creating new economic opportunities.

Apart from that, Village Funds can also increase community participation in decision making. Through a participatory Village Fund planning and management process, the community can be directly involved in determining development priorities that are in line with local needs and potential. Thus, it is easier for programs funded by the Village Fund to achieve the goal of significant success in alleviating poverty due to greater relevance and support from local communities (participation and direct supervision).

Apart from that, Village Funds can also be a stimulus for local economic growth by empowering village communities through programs to develop the economic potential of local communities, such as skills training, business capital assistance and market access. Village Funds can increase income and create new jobs in rural areas. This can reduce the unemployment rate and improve the overall welfare of the village population.

The Effect of Village Fund Allocation on Poverty Alleviation

Based on the research results, it can be seen that the village fund allocation variable has a positive and significant influence on poverty alleviation. This means that the better the management of village fund allocation, the more impact it will have on poverty alleviation.

Village Fund Allocation is one of the strategic instruments adopted by the government to reduce poverty levels in rural areas. The relationship between Village Fund allocation and poverty alleviation is an interesting subject to analyze in detail, because Village Fund Allocation has great potential in improving the welfare of rural communities.

Village Fund allocations really help villages to implement development programs aimed at reducing poverty. These funds can be allocated to build basic infrastructure such as roads, clean water, sanitation and electricity, which are important factors in improving the quality of life of village communities. With adequate infrastructure, access to basic services will increase, which in turn can help reduce poverty levels by improving people's health, education and economic productivity.

Apart from that, Village Fund Allocations can also be used to support productive economic programs in villages. For example, the Village Fund Allocation is allocated to provide skills training and business capital to village residents so that they can start or develop micro and small businesses. This will help create new jobs and increase people's income, which is an important step in alleviating poverty.

Village Fund allocation can also increase community participation in development and decision making. By involving the community in the planning and implementation process of programs funded by the Village Fund Allocation, infrastructure limitations which are a need for the village community can be immediately addressed more accurately because the village better understands the existing problems. Active community participation can increase their sense of ownership and responsibility for development in their own area, thereby increasing the effectiveness of poverty alleviation programs.

However, it needs to be acknowledged that the influence of Village Fund Allocations on poverty alleviation is not always positive. There are various factors that can influence the effectiveness of Village Fund Allocations, such as corruption, misuse of funds, and lack of management capacity at the local level. Therefore, it is important to ensure that the Village Fund management mechanism is transparent, accountable and results-oriented in order to maximize its impact in reducing poverty.

Overall, Village Fund Allocations have a significant influence on poverty alleviation in rural areas. Through infrastructure development, support for local economic businesses, and

increasing community participation, it can be an effective instrument in improving the welfare of village residents to reduce poverty levels. However, to achieve optimal results, good management and strict supervision of the use of Village Fund Allocations are required.

The Effect of Provincial Financial Assistance on Poverty Alleviation

Based on the research results, it can be seen that the provincial financial assistance variable has a positive and significant influence on poverty alleviation. This means that the more effective provincial financial assistance is, the maximum impact it will have in alleviating poverty.

Financial assistance provided by the provincial government has significant potential in poverty alleviation efforts at the local level. The relationship between provincial financial assistance and poverty alleviation is an important subject that needs to be analyzed in detail, considering its important role in improving the welfare of vulnerable communities in rural areas.

Provincial financial assistance can be used to support socio-economic development programs aimed directly at reducing poverty. These funds can be allocated to expand access to education and health services in areas that need them, as well as food security programs in villages which are an important factor in improving the quality of life and economic opportunities for poor rural communities. By improving access to education and health, provincial financial assistance can help break the cycle of poverty by providing future generations with greater opportunities to improve their quality of life.

Apart from that, provincial financial assistance can also be used to develop economic infrastructure that supports economic growth (BUMDES empowerment), job creation in villages, the food security program "Central Village Food Barn". These funds can be allocated for infrastructure projects such as roads, bridges and other means of transportation, which can open access to markets and reduce logistics costs for local businesses. By creating a conducive environment for economic growth, provincial financial assistance can help create new economic opportunities for poor communities and stimulate the potential growth of economic sectors.

Provincial financial assistance can also be used to provide direct assistance to poor households through social protection programs. These funds can be allocated to social assistance programs such as cash assistance, scholarships, or food assistance programs, which can help reduce the economic burden on poor households and increase their access to basic needs.

Although provincial financial assistance has great potential in alleviating poverty, it needs to be acknowledged that its implementation does not always run smoothly. Factors such as corruption, misuse of funds, and lack of administrative capacity at the local level can reduce the effectiveness of such assistance. Therefore, it is important to ensure that the management and supervision mechanisms for provincial aid funds are transparent, accountable and results-oriented in order to maximize their impact in reducing poverty.

Overall, provincial financial assistance has an important role in poverty alleviation efforts at the village level. Through support for development programs, economic infrastructure and social protection, provincial financial assistance can be an effective instrument in improving the welfare of vulnerable communities and reducing poverty levels.

CONCLUSION

Based on the results of the research and discussion, it can be concluded as follows: Village Funds have a positive and significant effect on poverty alleviation. This means that the greater the distribution of village funds, the more poverty alleviation programs in the village will increase; Allocation of village funds has a significant positive effect on poverty alleviation. This means that the greater the distribution of village fund allocations, the more poverty alleviation programs in the village will increase; Provincial financial assistance has a significant positive effect on poverty alleviation. This means that the greater the distribution of provincial financial assistance, the more poverty alleviation programs will increase; Village funds, village fund allocation and provincial financial assistance simultaneously have a significant effect on poverty alleviation. This means that the distribution of village funds, allocation of village funds and provincial financial assistance have a significant impact on poverty alleviation in villages.

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