

Research Article

Village Funds and Poverty Alleviation in Villages of Bangka Belitung Islands Province

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Abstract.

The poverty level of Bangka Belitung Islands Province (Babel) is decreasing; data from September 2022 on Bangka Belitung Islands Province is below the national poverty level (9.71 percent), which places Babel's poverty level in the 2nd lowest position nationally. However, what is problematic and interesting to study is that the majority of poor people in Bangka Belitung are in rural areas, namely, around 42,430 people. The poverty rate in rural areas provides an indication that there are still many problems with equitable development in villages. Although village autonomy has made progress in reducing inequality and poverty, economic inequality and poverty alleviation in villages are quite complex problems. This research attempts to explore problems related to economic inequality and efforts to eradicate poverty in the villages of Bangka Belitung Islands Province with the aim of looking at the factors that cause inequality as well as the efforts made by the village government to reduce poverty rates and inequality in the allocation of village budget. This research uses a qualitative-descriptive-analytic approach by describing field phenomena according to the reality that occurs. To obtain data, researchers used observation and documentation interview techniques by selecting informants based on criteria that had been determined from the start of the research. The findings in the field show that causes of inequality and poverty in Bangka Belitung village include: (1) the lack of community empowerment programs through the village budget to increase human resources in the village; (2) the weakness of poverty reduction programs in the village; (3) the weakness of creative economy programs in the village; (4) weak human resources for the village head and his apparatus in preparing the work program outlined in the RPJMDES to be implemented; and (5) guidance from the provincial and city regency governments to the village government is still far from optimal, so the programs in the village are very monotonous. Then, approaches that have been carried out in a comprehensive and integrated manner to alleviate poverty in rural communities in Bangka Belitung include: (1) increasing access to education; (2) village infrastructure development based on community economic strengthening programs; (3) skills development and training for village heads, village apparatus, and the community; (4) building and supporting entrepreneurship in the village (community empowerment); and (5) allocation of village funds that are right on target and appropriate to community needs.

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1. Introduction

Based on Article 23 paragraph 1 of the 1945 Constitution, development funding and APBN allocations are always aimed at realizing people's welfare. Government functions in the economy can be grouped into 3 functions, namely functions allocation, distribution function, and stabilization function (Fuad, et al., 2004). The allocation function is related to the allocation of the Government budget for national development purposes, especially in serving community needs and supporting the creation of accelerated, high-quality economic growth.

The distribution function is related to the distribution of income and subsidies in an effort to improve people's welfare, while the stabilization function is related to efforts to maintain stability and accelerate economic performance so that the economy remains in a productive, efficient and stable condition (Republic of Indonesia, 2013). To create an effective and efficient government system, the Government decentralizes some authority and responsibility to regional governments (Pemda). In connection with decentralization in the economic sector, the Government handed over some of its authority to regional governments to carry out allocation functions, distribution functions and stabilization functions [4].

This situation will open up opportunities for competition between regions which will further spur efficiency. The most efficient public services should be provided 64 *Journal of Economics & Public Policy*, by regions that have the minimum geographical control, because (1) local governments are more aware of the needs of their communities, (2) local government decisions are very responsive to community needs so that they encourage local governments to make efficiency in the use of funds originating from the community, and (3) competition between regions in providing services to their communities will encourage local governments to increase their efficiency (Hermawan, 2013).

Several principles can be used as guidelines in delegating expenditure authority, one of which is the principle of efficiency (Ministry of Finance, 2006). UU no. 33 of 2014 states that efficiency criteria are based on the idea that the administration of government affairs achieves economies of scale as far as possible. This is intended so that all levels of government are obliged to prioritize achieving efficiency in the administration of government affairs within their authority. One of its authorities is the concept of development.

Development is defined as a planned process of change that involves the role of the state and occurs in people's lives. Development is a process of reorganization and

renewal of all economic and social systems and activities to improve the welfare of people's lives. Welfare is characterized by prosperity, namely increasing income. The success of development is also measured by the level of willingness and ability to be independent, namely the willingness of the community to create, preserve and develop development results [9].

Development aims to create sustainable socio-economic progress with the principle of justice for the entire community. Several important components of the development aspect include (a) economic development, (b) physical and social development, (c) environmental development, and (d) institutional development [1]. An important element and one of the goals of development is equality [6]. Efforts to equalize development are often referred to as distributive justice.

Equal development includes equal distribution of income between groups in society and equal distribution of income between regions (Ghufron, 2008 and Wrihatnolo and Riant, 2006). Equitable development is an important aspect in realizing the ideals of the constitution, social justice. The elements of equitable development include eight programs, namely [6]: (1) equal fulfillment of basic needs (food, clothing, housing), (2) equal opportunities to obtain education and health services, (3) equal distribution of income, (4) equal employment opportunities, (5) equal business opportunities, (6) equal opportunities to participate in development - especially for the younger generation and women, (7) equal distribution of development throughout the country, and (8) equal opportunities to obtain justice.

2. Methods

This research uses a descriptive qualitative method because it aims to provide a written description and explanation of the research object. The analysis process is carried out using legal norms, public finance theory and state/government administration. Data collection uses secondary data. Data was collected through library research related to the study topic to obtain secondary data. The qualitative data that has been collected is arranged following a systematic flow of discussion.

3. Results And Discussion

The first biggest challenge in implementing the Village Law is how to ensure that funds entering the village can be distributed fairly among 74,754 villages, 309 of which are villages in the Bangka Belitung Islands Province, considering the high diversity in size

(population, area area). , poverty level and level of village progress in Indonesia. The second biggest challenge is how the village budget can be and is used efficiently and effectively by the village to support the achievement of village development goals, namely improving the welfare of village communities and the quality of human life as well as overcoming poverty.

The Village Law mandates that village budgets sourced from the APBN (Village Fund) be calculated based on the number of villages and allocated by taking into account population size, poverty rate, area area and level of geographical difficulty, in order to improve welfare and equitable village development. However, currently 90 percent of village funds are divided equally as a basic allocation and 10 percent is divided based on the four variables mentioned above. The results of the analysis show that the village fund formula can contribute to increasing inequality, considering the very large diversity of villages between regions, even within a region/province.

Meanwhile, diversity between regions that reflects the need to improve services and reduce poverty is not well adjusted, because only 10 percent influences distribution. Regions that have a large number of villages with a small number of poor people will receive much larger village funds than regions that have a small number of villages but a large number of poor people. Thus, the formula currently applied does not support the objectives of the Village Law, namely to equalize development and increase poor people's access to public services. Therefore,

In terms of usage, based on existing data, 84 percent of village funds are used for the development of rural physical facilities and infrastructure, 6.5 percent for community economic empowerment, and the remainder for government and social activities. Although infrastructure development can and does contribute to reducing poverty through choosing the type of infrastructure that has an economic impact, in the field many villages are found building infrastructure such as village gates, village offices, or village fences that will have little impact on the economy, let alone reducing poverty, which seems to be what is happening. in the villages of the Bangka Belitung Islands province, the majority of village funds are used to build infrastructure every year, so that in the budget concept poverty reduction is very slow to be resolved,

Considering that poverty is a multidimensional phenomenon caused not only by economic factors but also limited access to basic services and non-fulfillment of basic services, apart from infrastructure, village funds should be used for activities to increase the availability of basic services and empower the community's economy.

In accordance with the mandate of the 2005–2025 RPJP and the President's Vision and Mission, the main target (impact) set is to reduce the poverty rate to 7.0–8.0 percent

by 2019. The targets for realizing development that can be enjoyed by all levels of society are:

Increased labor-intensive investment thereby expanding decent job opportunities for underprivileged people (decent jobs).

Increased access for micro and small businesses to develop skills, mentoring, business capital and technology development.

Formation of partnerships between government, regional government and the private sector/BUMN/BUMD in developing community capacity and skills in order to improve community livelihoods.

Availability of quality supporting facilities and infrastructure for economic activities.

Increasing the reach of basic services including legal identity, educational facilities and infrastructure, health, basic infrastructure, and inclusive economic facilities for disadvantaged communities, including people with disabilities and the elderly.

Increased social protection, productivity and fulfillment of basic rights for underprivileged populations.

Looking at the stated objectives, it is still not in line with the objectives, so that the implementation of the village budget in the villages of Bangka Belitung Province is still not in line with expectations. The proof is that if the tin mining sector is in difficult conditions, then poverty is very visible among the community, meaning that the program -Poverty reduction programs from village fund allocations are still very low, as previously explained, village fund allocations are more focused on infrastructure development.

From a policy perspective, village planning by the government, provincial government and district/city government aims to: realize the effectiveness of village government administration, accelerate the improvement in the welfare of village communities, accelerate the improvement of the quality of public services, improve the quality of village government governance and increase village competitiveness. For this reason, village development aims to improve the welfare of village communities and the quality of human life as well as overcoming poverty through fulfilling basic needs, developing village facilities and infrastructure, developing local economic potential, and using natural resources and the environment in a sustainable manner.

In Bangka Belitung there are 309 villages, where the use of village funds is still not optimal in implementing them to improve community welfare, 309 villages consisting of 6 districts and 1 city:

From the results of visits to selected villages, information and data were obtained that almost all villages allocated village funds for the development of village infrastructure.

No. ^	Kode Kemendagri ^	Kabupaten/Kota ^	Luas Wilayah (km2) ^	Penduduk (jiwa) ^	2017		
					Kecamatan ^	Kelurahan ^	Desa ^
1	19.01	Kab. Bangka	2.950,68	312.460	8	19	62
2	19.05	Kab. Bangka Barat	2.820,61	189.621	6	4	60
3	19.03	Kab. Bangka Selatan	3.607,08	168.341	8	3	50
4	19.04	Kab. Bangka Tengah	2.155,77	175.064	6	7	56
5	19.02	Kab. Belitung	2.293,61	159.349	5	7	42
6	19.06	Kab. Belitung Timur	2.506,91	119.807	7	-	39
7	19.71	Kota Pangkal Pinang	89,40	207.420	7	42	-
TOTAL			16.424,06	1.332.062	47	82	309

Figure 1:

There are even villages that allocate almost 100 percent of village funds for the development of village infrastructure. The large allocation for physical development seems to be an implication of the government's direction—through the President and the Minister of Villages and PDDT—to allocate village funds for infrastructure development on the grounds that infrastructure development will absorb labor, as well as revive the village economy. The problem that then arises is that many infrastructure facilities are built simply because they follow the call of the center, which seems to be warmly welcomed by many village heads, there are even cases where villages use them to build gates.

This description of the use of village funds reinforces the opinion that village funds have not been able to encourage inclusive economic growth, especially the absorption of labor from poor groups and the procurement of goods and services by the community. It is understandable that village funds have not been able to reduce poverty rates in the provinces that receive the most village funds, especially because only a small portion of the funds are used for community economic empowerment activities. Meanwhile, the allocation of larger funds for physical development is not directly related to poverty levels, because physical development is generally a public good. Although in some cases there are villages that carry out direct physical development for the poor, for example the construction of livable houses (RUTILAHU), POSYANDU and PAUD facilities.

4. Conclusion

Regarding the use of village funds, in general it can be concluded that the majority of village funds are used for the development of rural physical facilities and infrastructure (84 percent), while the use for community economic empowerment is still relatively small, namely 6.5 percent. Apart from that, the quality of the facilities and infrastructure

being built is still not good due to the lack of technical capability of the management, both in terms of planning and management.

Recommendations for proposals to improve the village fund formula. The village fund allocation formula needs to be revised, especially regarding the basic allocation percentage. A large basic allocation means that the amount of village funds received by each village is relatively the same. Meanwhile, village fiscal needs vary greatly when related to the need for funds to overcome poverty and improve basic public services, especially to the poor.

It is necessary to sharpen the use of village funds with greater emphasis on poverty alleviation in order to improve the welfare of village communities. This is done through prioritizing capital expenditure for certain sectors, especially meeting basic needs in the fields of health, education and infrastructure, developing local economic potential, as well as sustainable use of natural resources and the environment. Improving the quality of village governance and increasing village competitiveness.

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