THE INFLUENCE OF SPECIAL AUTONOMY FUNDS ON THE POVERTY RATE IN BIAK PAPUA

Andy Sahat Maasi Sigalingging[1)*], Natasya Wijaya[2)]
IISIP Yapis Biak
andy.sigalingging@gmail.com[1)*]. natasyawijaya9150@gmail.com[2)]

Abstract

This study analyzes the relationship between special autonomy funds (independent variable) and the poverty rate. (variabel dependen). The results show that special autonomy funds do not significantly affect the poverty rate in Biak, Papua. The results also indicate that this study has a significant impact on the study's outcomes, suggesting that this study may be useful in understanding other factors influencing poverty in Biak. These findings suggest that special autonomy funds may not be a significant factor in influencing poverty in Biak, Papua. The special autonomy funds used in Papua often face implementation challenges on the ground, especially in the context of Papua. Biak also emphasizes that special autonomy funds often encounter implementation challenges in the field, particularly in the context of Papua, where structural issues such as economic and geographical disparities remain dominant. The R^2 value of 0.039 indicates that only 3.9% of the variation in poverty levels can be explained by the variation in special autonomy funds. Special autonomy funds often depend on various multidimensional factors, which include access to education, healthcare services, economic infrastructure, and local capacity development. The special autonomy funds used in Papua may not have been optimally focused.
Keywords: Special Autonomy Funds; Poverty Rate

INTRODUCTION

Special Autonomy Fund (DOK) is a form of financial support provided by the central government to special autonomous regions, such as Papua, to improve the welfare of the community. The purpose of this fund is to accelerate development in the region and reduce the gap between special autonomous regions and other areas in Indonesia. The management of special autonomy funds in Papua is expected to have a significant impact on the province's development performance, which can reduce development gaps as well as issues of budget transparency and accountability. The allocation of these funds should focus on improving governance and monitoring to ensure their effective use for development purposes. The special autonomy fund in Papua is intended to accelerate development and improve the welfare of the indigenous Papuan people, but challenges such as elitism in decision-making and poor budget management have hindered its effectiveness. (Hasibuan, 2021) This research is important to evaluate the extent to which special autonomy funds have impacted the poverty level in Biak, Papua, and whether this policy has successfully achieved its objectives. In addition, this research can also provide recommendations to the government on the steps that need to be taken to improve the

effectiveness of the Special Autonomy Fund in Biak. Thus, it is hoped that the measures taken based on the results of this research can help reduce the poverty rate and improve the welfare of the community in the area. With a good evaluation, it is hoped that this policy can continue to be improved to achieve more inclusive and sustainable development goals in Papua. Thus, economic growth and wealth distribution will become more equitable throughout the Papua region.

In addition, this research can also provide deeper insights into the factors affecting the effectiveness of the Special Autonomy Fund in Biak. Through a better understanding of this issue, the government can design more targeted and efficient policies to improve the welfare of the community. In addition, the results of this research can also serve as a reference for future studies that will be conducted to continuously improve the implementation of Special Autonomy Funds in other regions of Papua. Thus, the measures taken can have a broader positive impact on regional development and the welfare of the people in Papua. A detailed counterexample regarding the effectiveness of the Special Autonomy Fund in Biak could be mismanagement and misuse of funds, resulting in minimal impact on the welfare of the local community. Additionally, the lack of transparency and accountability in fund allocation can lead to corruption and further exacerbate socio-economic inequality in the region. The data presented includes the development of special autonomy funds and the poverty rate in Biak Regency, Papua, over the past eight years, from 2016 to 2023. Special autonomy funds are one of the important instruments provided by the central government to regions with special status such as Papua, with the aim of supporting development and improving the welfare of the community, including efforts to reduce poverty. However, from the data observed, there is significant fluctuation in the allocation of special autonomy funds, while the poverty rate shows a more stable downward trend.

At the beginning of the period, in 2016, the special autonomy fund allocated for Biak reached Rp100.1 billion, and the poverty rate was at 26.99%. A significant surge in funds occurred in 2017 and 2018, with the fund value more than doubling to Rp291 billion and Rp298 billion. However, despite the significant increase in special autonomy funds, the poverty rate only experienced a small decrease, from 26.99% in 2016 to 25.44% in 2017, and slightly increased to 25.72% in 2018. This indicates that the increase in funds has not been fully followed by a significant decrease in the poverty rate.

However, in 2019 and 2020, there was a drastic decrease in the amount of funds received by Biak, each amounting to Rp32.2 billion. However, the poverty rate continued to decline, reaching 24.57% in 2020. This decline indicates that despite a drastic reduction in fund allocation, the ongoing programs may still be effective in reducing the poverty rate. In 2021, the special autonomy fund reached its lowest point, only Rp8.06 billion, but the poverty rate slightly decreased to 24.45%. In the following years, namely 2022 and 2023, the fund allocation increased again to Rp125.5 billion and Rp150.4 billion, and the poverty rate

continued to decline, reaching 23.53% in 2023.

From this data, it can be seen that although there are fluctuations in special autonomy funds, the poverty rate in Biak shows a gradual downward trend. This raises several important questions as a basis for further analysis: to what extent is the effectiveness of special autonomy fund usage in reducing poverty in Biak? Why did the significant increase in fund allocation in the early years not correspond with a substantial decrease in the poverty rate? How did the management of special autonomy funds, limited to certain years, still manage to drive poverty reduction? These questions will serve as an important foundation for delving deeper into the management of funds, program implementation, and the real impact of special autonomy on the welfare of the Biak community. With a better understanding of economic disparities and the effectiveness of the Special Autonomy Fund in Biak, the government can create more targeted and efficient policies to improve the welfare of the community. The results of this research can also serve as a reference for future studies in other areas of Papua to continue improving the implementation of the Special Autonomy Fund. It is hoped that the measures taken can provide a broader positive impact on regional development and the welfare of the people in Papua, particularly in Biak.

RESEARCH METHOD

The research method should be presented without sub-sections, written concisely and clearly. It should explain the research design, scope, procedures, tools and instruments, including data collection and analysis techniques. If statistical formulas are commonly used, they do not need to be included.

RESULT AND DISCUSSION

Approach Research using quantitative methods with secondary data to measure the poverty rate. This research method was conducted by collecting data related to local revenue and special allocation funds, as well as the poverty rate in Biak City. The secondary data used in this research includes statistical data from relevant agencies and the results of previous relevant studies. By using a quantitative approach, researchers can analyze the relationship between special allocation funds and poverty levels in greater depth.

Type of Data

The data used is secondary data from the allocation of special autonomy funds in Biak over the past 8 years (2016 – 2023) and poverty rate data in Biak during the same period (BPS data or other government sources).

Place and Time of Research

The research location is the city of Biak, with data collection conducted through the Central Bureau of Statistics (BPS). BPS is the official institution responsible for collecting, processing, analyzing, and presenting statistical data on various aspects of social and economic life in Indonesia.

Analysis Method

Analysis using simple linear regression to examine the relationship between the independent variable (special autonomy fund) and the dependent variable (poverty rate).

Linear Regression $\gamma = \beta\_0 + \beta\_1.X + \varepsilon$
y   = Poverty level.

x   = Special autonomy fund.

$\beta 0$ = Constant (intercept).

$\beta 1$ = The regression coefficient (slope) that measures the impact of special autonomy funds on the poverty rate.

ϵ = Error term.

Result

Based on the results of the OLS (Ordinary Least Squares) regression analysis between the independent variable x (special autonomy funds) and the dependent variable y (poverty rate), here is the summary:

The resulting regression equation is: $y = 24.8456 + 1.844 \times 10^{-6} \cdot x$

Which can be interpreted for the Coefficient: Constant: 24.8456 (meaning, if there is no influence from special autonomy funds, the poverty rate tends to approach 24.85%). The coefficient x (special autonomy fund): 1.844×10^{-6} indicates that each increase of 1 unit in the special autonomy fund only contributes 1.844×10^{-6} units to the change in poverty level (very small).

Statistical Significance

The p-value for the x coefficient is 0.638, which is much greater than 0.05. This indicates that the influence of special autonomy funds on the poverty rate is not statistically significant in this model. The R^2 value of 0.039 indicates that only 3.9% of the variation in the poverty rate can be explained by special autonomy funds, which is very low.
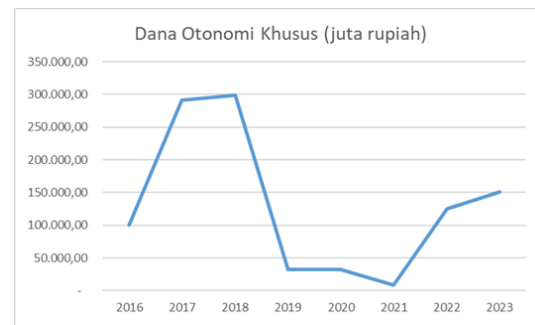

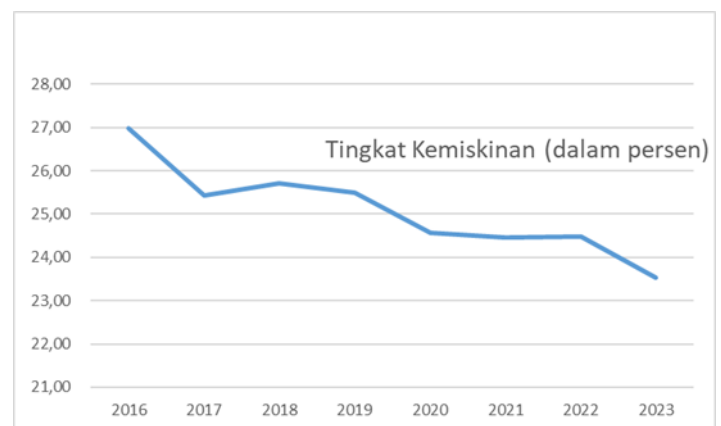**Figure 1. Graph of development of the Biak Papua Special Allocation Fund for 2016 - 2023**

Figure 2. Graph of development of Poverty Level in Biak Papua 2016 - 2023

Discussion

The p-value of 0.638, which is much greater than the general significance threshold of 0.05, indicates that special autonomy funds do not have a significant impact on the poverty level in Biak Papua in the analyzed model. This means that the null hypothesis (H), which states that there is no significant relationship between special autonomy funds and the poverty rate, is accepted.

Accepting the null hypothesis (H), which states that there is no significant relationship between special autonomy funds and the poverty rate, indicates that further investigation may be needed to understand other factors influencing poverty

in Biak, Papua. Further research may involve other variables such as education levels, access to healthcare services, and infrastructure in the area.

In the context of economic research, results like this can occur for several reasons:

Effectiveness of fund allocation: Although the amount of funds is large, the distribution or use of the funds may not be effective in directly influencing the poverty rate. Peneliti yang dipimpin oleh Bird et al. (2005) mengatakan bahwa dana yang ditargetkan untuk pengentasan kemiskinan tidak memberi dampak signifikan jika tidak disertai dengan kebijakan yang mendukung kemanfaatannya dan efektivitasnya. A counterexample to this argument can be seen in a study by Smith et al. (2010), where it was found that although effective fund allocation was aimed at poverty alleviation, other variables such as political instability and corruption could significantly hinder the impact of these funds in reducing poverty levels. Moreover, research by Jones et al. (2012) shows that in certain cases, merely improving access to healthcare services and better infrastructure is not enough to reduce poverty levels in an area if other socio-economic factors are not addressed simultaneously.

External factors affecting poverty: Poverty in regions like Papua can be influenced by many other factors, such as access to education, health, infrastructure, or labor market conditions. A study by Bappenas (2019) also emphasizes that special autonomy funds often face implementation challenges on the ground, especially in the context of Papua, where structural issues such as economic and geographical disparities remain dominant.

The R^2 value of 0.039 indicates that only 3.9% of the variation in poverty levels can be explained by the variation in special autonomy funds. This means that almost all the variation in poverty levels (96.1%) is caused by other factors not included in this model.

In regression analysis, a low R^2 value indicates that the constructed regression model is not able to explain much about the relationship between the independent variable (special autonomy funds) and the dependent variable (poverty rate). Some of the main reasons for the low R^2 value in this context include:

Special autonomy funds are not the only determinant: Literature studies, as stated by Ravallion (2009), emphasize that poverty alleviation often depends on various multidimensional factors. This includes access to education, healthcare services, economic infrastructure, and local capacity development, where the funds provided may not have been optimally focused.

Implementation that is less targeted: The special autonomy funds used in Papua may not have been well-focused on activities that directly reduce poverty. Simatupang (2007) also noted that the effectiveness of public spending in reducing poverty highly depends on proper allocation, transparency, and accountability in the use of funds.

CONCLUSION

Based on the results of statistical analysis and in-depth discussion, this study found that the special autonomy funds allocated in Biak, Papua, did not have a significant impact on the reduction of

poverty levels during the period studied. This is evidenced by the p-value of 0.638, which indicates no statistical significance, as well as the very low R² value of 0.039, meaning that only 3.9% of the variation in the poverty rate can be explained by the special autonomy fund. These findings indicate that despite the allocation of special autonomy funds, other factors, such as socio-economic conditions, weaknesses in fund management, and infrastructure barriers, appear to have a greater influence in determining the poverty level in the area.

The literature review supports these findings, where previous research shows that government spending or fund allocation is not always effective in reducing poverty, especially when implementation on the ground faces obstacles such as the lack of capacity of local institutions, transparency, and efficiency in fund distribution. Moreover, structural challenges such as economic inequality and accessibility to infrastructure, education, and healthcare services continue to hinder poverty alleviation in Papua, particularly in Biak.

Suggestion

1. Optimization of Special Autonomy Fund Usage

   Local governments need to review the allocation of special autonomy funds and ensure that these funds are allocated to more effective programs in reducing poverty, such as improving basic infrastructure, access to education, healthcare services, and community economic empowerment. The utilization of funds should be more focused on programs that have a direct impact on improving the welfare of the community.

2. Improvement of Local Institutional Capacity

   Local institutions in Biak need to be strengthened, especially in terms of financial management capacity, transparency, and accountability in the distribution of special autonomy funds. The central and regional governments must collaborate to enhance the capacity of local officials to ensure the effective use of funds.

3. Stricter Monitoring and Evaluation

   A better monitoring and evaluation system is needed to ensure that the use of special autonomy funds in Papua truly meets the expected targets. Periodic evaluation mechanisms must be implemented to assess the effectiveness of the programs and adjust policies if necessary.

4. Further Research

   Future research should consider more variables that affect poverty levels, including education, health, job availability, and infrastructure. By considering more factors, it is hoped that a more comprehensive model can be developed to understand the dynamics of poverty in Papua and determine more appropriate interventions.

   By adopting this approach, the government and stakeholders can focus more on effective development strategies to sustainably reduce poverty in Biak, Papua.

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