

Role of Village Expenditure Alleviate Poverty

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Abstract

This study aims to determine and analyze the effect of Village Expenditure affected the poverty in the village government district of Sumatera Utara province. The population of the study was 81 village government of the District of Sumatera Utara province since 2014 - 2016. The samples were selected by using purposive sampling method with criteria that owned their data reporting of APBDEs and stage of poverty by the village government by the District of Sumatera Utara Province consecutively for 3 years amounted to 81 districts. This research is descriptive quantitative by using simple regression test. The data were processed using SPSS 22. The results showed that the Village Expenditure was significantly positive in affection. The conclusion of the study is the Village Expenditure which part of village budget holds affection in eradicating the poverty in village government.

Keywords : Village Expenditure, Poverty.

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INTRODUCTION

Poverty is a problem that must be resolved by one country. This is what makes a country must make a concept of poverty eradication in order to achieve the welfare of society. The growth of poor people in Sumatera Utara based on BPS increased in 2011, approximately 71.75 thousand people consisting of 1,436 thousand people and in September it changed to about 1,507 thousand people [1].

Based on that data we need a way to alleviate poverty, by making use of tax and social expenditure that have been done in the town of Chili [2]. Another way to increase economic growth backed by fiscal reformation that accompanied the remoted area reformation, this way has been done in China [3]. Based on BPS data on poverty, it was highest in the village. The government expects the fiscal decentralization may give an impact like Catching-up for regions that were previously left behind [4].

Village Expenditure under the rules of the Indonesian Minister of Home Affairs number 113 of 2014 concerning the financial management of the village are all expenditures from the account which is an village obligation within 1 (one) year budget will not obtain payment back to the village [5]. The amount of budget allocations in the village must be adapted to village income earned. The greater the income earned, the greater the Village Expenditure that could be used for village development. With the increased spending in

each year by the village will lead to construction of facilities and infrastructure of villages and hamlets in the upcoming years also increased significantly [6].

To alleviate poverty in a country, there have been several studies that use village expenditures becomes a way to alleviate poverty among which that regional expenditures have an impact on poverty [7]. The further study states that government capital expenditure indirectly affect poverty [8]. Likewise, other researchers have stated that the expenditure directly affect poverty reduction [9]. But there is difference with other research that government expenditure that is capital spending has no effect on poverty eradication [10].

Based on the problem above, thus the problem of this study is whether there is the effect of rural spending on poverty in the village government district of Sumatera Utara province?

The purpose of this study was to determine and analyze the influence of village expenditure on poverty.

Research Type

This research is quantitative research that emphasizes the causal relationship (causal effect). This research aims to test the hypothesis and explains the phenomenon in the form of inter-variable relationship. The main objective of this study was to identify the causal relationship between the various variables [11].

In this study, researchers wanted to test and analyze the effect of village expenditure on poverty.

This research was conducted in the village government district of Sumatera Utara province. Data can also be obtained at the office of the Badan Pusat Statistik at Jalan Asrama No. 179, Dwi Kota, Medan Helvetia, Medan, Sumatera Utara.

Population and Sample

Population used in this study is the report of APBDes district of Sumatera Utara province in 2014-2016 and data Poverty in Sumatera Utara Province from 2014 to 2016. The Total of the population in this study is 27 village government district of Sumatera Utara provinces.

Retrieval method used in this research is purposive sampling method. Purposive sampling is a sampling method based on a certain criteria, the criteria used can be based on judgment or a certain quota.[12] The criteria used in this study is

- The village government of Sumatera Utara Province by Regency / City that have complete data in the data realization report of APBDes village fund allocation in a row from 2014-2016
- Have poverty data of village of Sumatera Utara Provincial Government by Regency / City in a row from 2014-2016

Based on these criteria, the sample obtained for the period 2014-2016 with the number of observations were 81 samples

Research Variables

Variable used in this research is the independent variable (X) and the dependent variable (Y). The variables used in this study consisted of:

- Village Expenditure (X) is All expenditures from the account which is a village obligation within 1 (one) year budget that will not obtain payment back to the village. The indicator is the total village expenditure
- Poverty (Y) is the poor population is a population with an average expenditure per capita per month

below the poverty line. The indicator is the number of poor

Data Analysis

Data collecting technique in this study is documentation. The data used in this research is secondary data it is the report on the realization APBDes village government district of Sumatera Utara province and village government poverty data District of Sumatera Utara province. Sources of data were obtained by visiting Badan Pusat Statistik (BPS) of Sumatera Utara. The research data presented in time series (over time) and cross section (between the village government districts).

The model of data analysis used in this research is simple regression analysis model. The purpose of simple analysis linear regression technique is to look directly on the influence of the dependent variable [13]. To test the hypothesis, used a simple regression model with the following formula:

$$Y = a + BX1$$

Information:

Y = Poverty

a = Constant

X1 = Village Expenditure

The technique is done in the concluding results of the study will use SPSS namely:

Hypothesis testing

- The coefficient of determination (R2) to determine whether the regression model is good enough to use, it was determined by the coefficient of determination. Adjusted R2 value can go up or down when the independent variable is added to the regression model [14].
- Test Statistic t basically shows how much the independent variable can individually or partially explain the variation of the dependent variable.

RESULTS AND DISCUSSION

Simple linear regression analysis was conducted to determine the effect of village expenditure on poverty. From the management of the data obtained the following results:

Table-1: Regression Analysis

Coefficients					
Model	Coefficients unstandardized		standardized Coefficients		Sig.
	B	Std. Error	beta	t	
1. (Constant)	10 970	1,099		9981	.000
X	.229	.062	.386	3722	.000

a. Dependent Variable: Poverty

According to the table above, the simple regression equation in this study are as follows:

$$Y = 10.970 + 0.229 X1$$

The meaning of the above equation is:

- A constant value is 14.880, if village expenditure (X1) value is 0, then the value of poverty (Y) the value is 10.970.
- Village expenditure regression coefficient (X1) is equal to 0.229, meaning that if the allocation of village funds experienced an increase of one unit, then poverty (Y) will increase by 0.229. Coefficient is positive; meaning a positive relationship between

expenditure on rural poverty, the rise of shopping village will reduce the level of poverty.

Hypothesis testing

The coefficient of determination (R2)

Simple determination coefficient was used to measure the influence of independent variables, Village Expenditure (X1) against Poverty (Y). The greater the value of R2, the stronger the ability of the regression model obtained to explain the factual conditions. The results of the simple analysis of the coefficient of determination (Adjusted R2) can be seen in the following table:

Table-2: Coefficient of Determination

Model Summary					
Model	R	R Square	Adjusted R Square	Std. Error of the Estimate	Durbin-Watson
1	.386a	.149	.138	.60412	1,227
a. Predictors: (Constant), Village_Expenditure					
b. Dependent Variable: Poverty					

R square value in the table above for 0.149 this shows that 14.9% of the poverty variable can be explained by the village expenditure. The rest of 85.1% is influenced by other variables that are not explained by this research model.

Partial test (t test)

T statistical test was conducted to see the effect of village expenditure against poverty. The result of partial test (t-test) can be seen in the following table:

Table-3: t-test

Coefficients						
Model		Coefficients unstandardized		standardized Coefficients	T	Sig.
		B	Std. Error	beta		
1	(Constant)	10 970	1,099		9981	.000
	X	.229	.062	.386		
a. Dependent Variable: Poverty						

According to the table above, the allocation village variable has a significant value of 0.000 <0.05, so it can be concluded that the village expenditure is positively and significantly impacted on poverty. The use of Village Expenditure in reducing poverty in the village of Sumatera Utara Provincial government is effective and successful. The usage allocated to each village devoted to the development of infrastructure, so it can accelerate the achievement of development goals in each village.

CONCLUSION

The village government district of Sumatera Utara province as the stakeholder of the authorization of the budget usage contained in APBDes budget is good enough in allocating the village expenditure budget to reduce poverty in village communities. With a well-organized budget allocation then positive village expenditure will also continue to occur during years of research it gave a positive impact on poverty reduction that occurred in the village government district of Sumatera Utara province.

The village government district of Sumatera Utara province that village government officials can take the advantage from the village expenditure as best as possible by involving society in infrastructure development, reducing unemployment and increasing income of village communities that indirectly reduce poverty. Village officials can also use the village expenditure to increasing the society’s skill with guidance, training and assistance to society in exploring the potential of villages that had been held over the years, so it will indirectly boost economic growth and reduce poverty.

The local village officials can also use the village expenditure by increasing Bumndes push ahead the economy and also automatically reduce the level of poverty.

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