

## EFFECT OF SPECIAL AUTONOMY FUND AND LOCAL ORIGINAL REVENUE TO THE PERCENTAGE OF POVERTY IN PAPUA PROVINCE IN DEFENSE PERSPECTIVE

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### ABSTRACT

Poverty in Papua Province is an important problem faced by the Indonesian government because it involves issues of national security and defense. This quantitative study aims to obtain information about the Special Autonomy Fund, Regional Original Income and its effect on the percentage level of poverty in Papua Province. This study involves data from the Special Autonomy Fund, PAD and the percentage of poverty in Papua Province from 2004 to 2021. The collected data were analyzed using SPSS multiple linear regression statistics. The results of this study inform that local revenue does not affect the percentage of poverty but the Special Autonomy Fund has an effect on the percentage of poverty in Papua Province. In a defense perspective, the poverty level in Papua Province needs special attention because it involves non-military threats that can lead to the threat of conflict and security. Following up on the findings of this study, the Papua Special Autonomy Fund program is reviewed to continue and it is necessary to prepare a Grand Design for the governance of the Papua Special Autonomy implementation. so that it can be right on target and avoid deviations.

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### KEYWORDS

*Special Autonomy Fund, Poverty, Economic*

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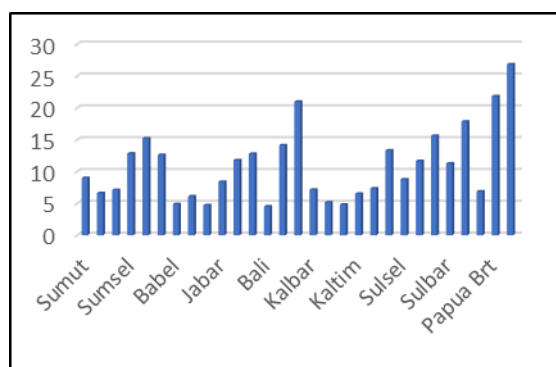
## INTRODUCTION

Indonesia is one of the countries that has the most occupation in the world. With the abundance of the population, poverty is one of the main problems faced by the government. Poverty is a series of social problems complementing other social problems including unemployment, low quality of human resources and helplessness, which is characterized by low living standards, inadequate housing, poor health, minimal or even no education, infant mortality and maternal mortality rates that are still high, low life expectancy, small per capita income and others (Febrianti et al., 2019).

There have been many instruments and programs launched by the government to overcome the problem of poverty. But in fact, the percentage of poverty in Indonesia is still high. According to data from the Central Statistics Agency (BPS) in 2021, Bali province is the area with the smallest poverty prevalence of 4.53, while the area with the highest poverty prevalence in Indonesia is Papua Province which has a poverty prevalence of 26.86.

If you look at figure 1, it can be seen that there is inequality in poverty prevention in western and eastern Indonesia, the high prevalence of poverty in Papua Province is a homework for the central government. Programs and policy instruments have been applied to Papua Province to realize justice and economic equality in Papua. One of the policies for Papua Province is the enactment of Law Number 21 of 2001 ([Otonomi Khusus Bagi Provinsi Papua, 2001](#)) which regulates the authority to implement special autonomy of Papua Province so as to ensure the continuity of funding for Papua Province for twenty years in order to accelerate the development process and increase equitable development in the Papua Province region (Vidriza & Talmera, 2022).

*Figure 1 Poverty Eradication*



Source : Central Bureau of Statistics, 2021

As a tangible manifestation of the implementation of Law number 21 of 2001, Papua's special autonomy status has exclusive rights in the treasury, namely the right to a Special Autonomy Fund of 2% of the General Allocation Fund at the National level for a period of 25 years. In addition, Papua still has an allocation of equalization funds transferred by the central government and Regional Original Revenue derived from regional taxes, regional levies, resource management and others. The Papua Special Autonomy Fund has increased from year to year, which is the largest component in the Papua Regional Budget of 63.79%, this was conveyed by the Ministry of Home Affairs in 2020.

Even though The Special Autonomy Fund program has been running for twenty years in the Province PApua still occupies the most ranking above poverty reduction rate in Indonesia, on the other hand with the support of the Special Autonomy Fund, and Daerah Original Incomeh (PAD) Provinsi Papua is one of the Province which has the largest APBD fund in Indonesia. This is a question with budget that big Rated not yet give big impact towards on the lives of the Papuan people. In fact, it is hoped that these budgets can have an impact on economic welfare in the realization of justice in resource management, improving welfare and human resources, especially in poverty alleviation in Papua Province. Viewed from a defense perspective, poverty making a nation lack strong resilience from ideological, political, economic, socio-cultural and security defense aspects.

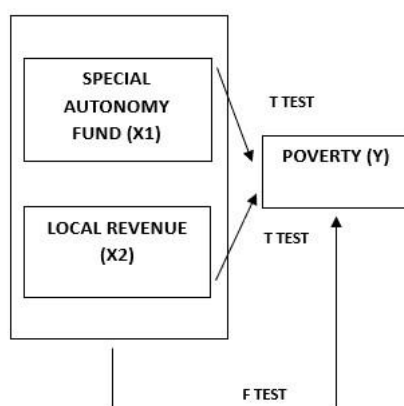
Based on the above phenomenon, researchers are interested in assessing whether the Special Autonomy Fund and Regional Original Revenue have a significant impact on the percentage of poverty in Papua Province from a defense perspective.

## **METHOD**

The type of data used in this study is secondary data obtained from the Central Statistics Agency (BPS) from 2004 to 2021. Variable definitions used:

1. Special Autonomy Fund (X1)  
It is a special autonomy fund provided by the central government for the implementation of Law No. 21 of 2001
2. Local Original Revenue (X2)  
The revenue that a region is able to obtain as a result of taxes, levies, etc.
3. Poverty eradication (Y).  
The percentage of the population below the poverty line.

*Figure 2 Conceptual Framework*



The conceptual framework in figure 2 to illustrate the influence of variabel independent (free) on variabel dependent (bound) either partially or simultaneously. Hypothesis:

1. H1 : Special Autonomy Fund affects the percentage of poverty in Papua Province
2. H2 : The Balancing Fund affects the percentage of poverty in Papua Province

To analyze el-variable variance data in research using IBM SPSS Data Reviewer Application, a research method used with multiple linear regression analysis models. The method is to see the influence of the dependent variable (X) on the independent variable (Y).

$$Y = a + b_1PADit + b_2DOit + e$$

Information:

- Y = Poverty Percentage
- X1 = Special Autonomy Fund
- X2 = Local Original Revenue
- b = Regression Coefficient
- a = Constant
- e = Error term

### **Normality Test**

Each variable of the regression model must show data that is normally or near normal distributed in order to assess the distribution of data in a group of data or variables. One method used to test the normality of a data is the Normal Probality Plot Test, this test is to compare the cumulative distribution from the normal distribution (Ghozali, 2016). The basis for decision making through this analysis, if the data spreads around diagonal lines as a representation of normal distribution patterns, means that the regression model satisfies the assumption of normality.

### **Hypothesis testing**

#### **T test (partial test)**

To determine the effect of the dependent variable (X) on the independent variable (Y), this test was carried out to see the significance of the influence of each independent variable on the independent variable. Basis of decision making:

1. If the probability(significant) <0.05 and t is calculated > t table, then the Hypothesis is partially accepted
2. If the (significant) probability >0.05 and t count < t table, then the Hypothesis is not partially accepted.

#### **F Test (Simultaneous)**

To determine the effect of independent variables together on the dependent variable. With the decision, as follows:

1. If the probability(significant)  $< 0.05$  and  $f$  count  $> f$  table, then the model used is accepted simultaneously
2. If the (significant) probability  $> 0.05$  and  $f$  count  $<$  the table, then the model used is not accepted simultaneously

**Termination Test.**

This analysis is used to determine the presantase of the influence of the dependent variable (X) simultaneously on the dependent variable (Y) with the following decisions:

1. If the correlation coefficient (r) is 0.70 to 1.00, it indicates a high degree of relationship
2. If the correlation coefficient (r) is 0.40 to 0.70, then it indicates the degree of moderate relationship

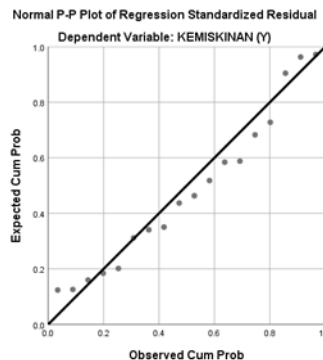
If the correlation coefficient (r) is 0.20 to 0.40, it indicates a low degree of relationship

**RESULTS AND DISCUSSION**

**Results**

**1. Normality Test**

*Figure 3 Probability Plot Test*



From figure 3. It can be explained that the data points are near or follow diagonal lines, then it can be concluded that the data is normally distributed

**2. Test T (partial)**

**Table 1. SPSS T test results**

Model	Unstandardized Coefficients		Standar dized Coefficients	t	Itsel f.
	B	Std. Error	Beta		
1 (Constant)	42.314	2.221		19.054	.000
OTSUS (X1)	-.002	.001	-.698	-3.005	.009
PAD (X2)	-.001	.002	-.159	-.685	.504

a. Dependent Variable: POVERTY (Y)

1. Partially, the Special Autonomy Fund (X1) can affect the percentage of poverty in Papua Province. This is indicated by a significant value of  $0.009 < 0.05$

- b. Partially, the Regional Original Income (PAD) of Papua Province does not affect the percentage of poverty in Papua Province. This is indicated by a significant value of  $0.504 > 0.05$

**3. F test (simultaneous)**

**Table 2. F SPSS Test Result**

ANOVA <sup>a</sup>						
Model		Sum of Squares	df	Mean Square	F	Itself.
1	Regression	324.950	2	162.475	16.44	.000 <sup>b</sup>
	Residual	148.218	15	9.881		
	Total	473.169	17			

a. Dependent Variable: POVERTY (Y)

b. Predictors: (Constant), PAD (X2), OTSUS FUNDA (X1)

In this F test shows that the value of F (0.000) < 0.05 so it is concluded that the model formed can be used to predict

**4. Test Dtermination**

**Table 3. SPSS Termination Test Results**

Model Summary <sup>b</sup>				
Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	.829 <sup>a</sup>	.687	.645	3.14344

a. Predictors: (Constant), PAD (X2), OTSUS FUNDS (X1)

b. Dependent Variable: POVERTY (Y)

In this TerminationTest,it shows that the value of the r coefficient is 0.829 This shows that the relationship of free l variabeto bound l variabe has a high degree relationship of 82.9%.

The multiple linear regression process in table 1 obtained the results of the equation, as follows :

$$Y = 42.314 - 0.002X1 - 0.001X2$$

From the equation above, it can be interpreted that every addition of 1 trillion special autonomy funds can reduce the percentage of poverty by 2% and every addition of 1 trillion local original income can reduce the percentage of poverty by 1%

**Discussion**

The results of the research in table 1 show that the Special Autonomy Fund affects the percentage of poverty in Papua Province. However, compared to other regions, the percentage of poverty in Papua Province is still the highest in Indonesia as of March 2022, recorded at 26.56% with a total of 922 thousand poor people (Maulandy, 2022). This shows the large Special Autonomy Fund disbursed for Papua Province but has not significantly reduced the percentage of poverty in Papua (Kharisma et al., 2020).

Poverty is the root of the problem that must be solved because it is closely related to defense in the province, considering the security issues that occur. In addition to military threats that use weapons, there are non-military threats that occur that concern Ideology, Politics, Economy, Socio-Culture and Security Defense. Non-military threats are essentially threats that use non-military factors that are considered to have capabilities that endanger state sovereignty, territorial integrity and the safety of all nations. Non-military threats can have ideological, political, economic, socio-cultural, technological and information dimensions as well as public safety (Keputusan Menteri Pertahanan Nomor : Kep/1008/M/V/2017 Kebijakan Pertahanan Negara Tahun 2018, 2018)

The problem of Papua is the desire of the people of Papua Province who do not experience equal welfare compared to other provinces in Indonesia. The fact speaks that the central government has allocated special autonomy funds disbursed from 2001 to 2021 which reached hundreds of trillions of rupiah, in accordance with the mandate of Law No. 21 of 2001 concerning special autonomy. Minister of National Development Planning and Head of the National Development Agency (PPN/Bapennas) Suharso Monoarfa assessed that the benefits of Papua Special Autonomy funds have not been fully felt for Papuans (Putra Ananda, 2021). The lack of special autonomy funds is due to poor governance and corruption among the elite. Indonesian Corruption Watch (ICW) has also received reports from the public about the misappropriation of Papuan special autonomy funds by regional political elites (ICW, 2018).

Special autonomy in Papua is considered useless and fosters corruption (Kaisupy & Maing, 2021). Economic and social inequality is increasingly felt by the Papuan people, they feel that their territory has a lot of natural wealth, but those who enjoy it are outsiders, while indigenous people cannot feel it).

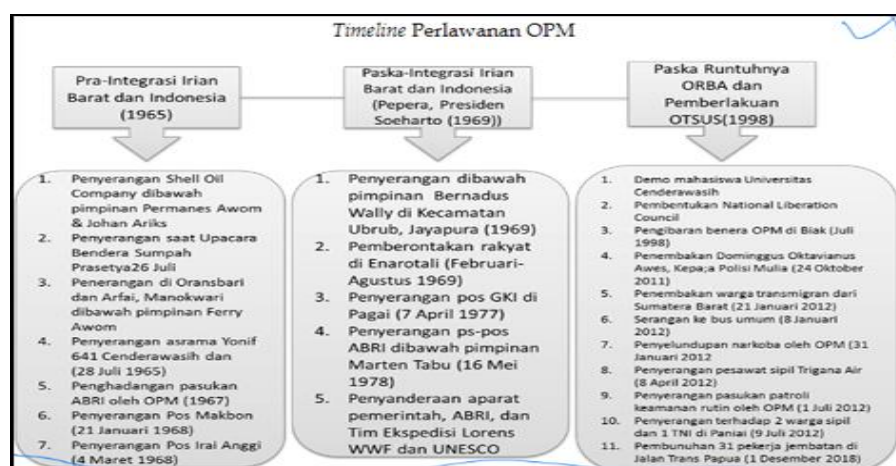


Figure 4 OPM Resistance Timeline

Political and security issues have developed in several timelines as shown in figure 2. At the beginning of the resistance period of 1965 was mostly carried out with armed contact because it demanded independence, in the integration period of 1969 there was a growing resistance with weapons but with the back of disillusionment and economic and social injustice. The passing of Law n0 21/2001 concerning Special Autonomy Papua has not guaranteed the success of development to improve the standard of living of the Papuan people (Suropati, 2019).

## CONCLUSION

In this study, the effect of the Papua Special Autonomy Fund and local native income (PAD) on the percentage level of poverty in Papua Province in a defense perspective was examined. The results showed that the Special Autonomy Fund has an influence on the percentage level of poverty compared to Regional Original Income. The Special Autonomy Fund is able to reduce the percentage of poverty in Papua. But the special autonomy fund that has been disbursed by the government has not significantly alleviated poverty due to corrupt practices among the political elite and unclear programs. In the defense perspective, economic issues are the main issue to resolve security defense conflicts in Papua that demand equal welfare.

Through the findings obtained in this study, the sustainability of the Papua Special Autonomy Fund program is highly recommended. The disbursement of the Papua Special Autonomy Fund still needs to be continued as a manifestation of socio-economic justice in resolving the Papuan conflict with a welfare approach. And it is necessary to form a Grand Design governance plan for the implementation of the Papua Special Autonomy Fund so that it is more focused and avoids corrupt practices. This study only measured the variables of special autonomy funds and PAD only. In the next study, other variables both quantitative and qualitative can be included in order to provide a clear picture related to the use of special autonomy funds and other matters related to economic, defense and security issues.

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