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The Effect of Village Funds, Village Fund Allocations And Tax and Levy Revenue Sharing Funds on Poverty in Banjarnegara Regency

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ABSTRACT: Poverty is a problem that exists in every country including Indonesia. Government policies in an effort to alleviate poverty are carried out by disbursing Village Funds, Village Fund Allocations and Tax and Levy Revenue Sharing. Village Fund is a fund sourced from the State Budget that is transferred through the Regency/City Budget and is used to finance the implementation of Village authority based on the right of origin, and village-scale local authority. The Village Fund Allocation is part of the village finance obtained from the Regional Tax Revenue Sharing and part of the Central and Regional Financial Balance Fund received by the district which is then transferred to the village to support the implementation of the village government. Meanwhile, the Tax and Levy Revenue Sharing is a budget received by the village as part of the tax and levy proceeds from the regency/city area at least 10% of the realization of tax and levy revenues. This study discusses the effect of village funds, village fund allocation and tax and levy revenue sharing on poverty in Banjarnegara Regency. Panel data regression with the fixed effect model method is the methodology used in this study. The regression results showed that the variables of village funds and tax and levy revenue sharing had a negative and significant effect on reducing poverty in Banjarnegara Regency. Meanwhile, the variable allocation of village funds has a positive effect on reducing poverty in Banjarnegara Regency.

Keywords: Village Fund, Village Fund Allocation, Tax and Levy Revenue Sharing, Poverty.

ABSTRAK: *Kemiskinan adalah permasalahan yang ada di setiap negara termasuk Indonesia. Kebijakan pemerintah dalam upaya pengentasan kemiskinan dilakukan dengan menggelontorkan Dana Desa, Alokasi Dana Desa dan Bagi Hasil Pajak dan Retribusi. Dana Desa merupakan dana yang bersumber dari APBN yang ditransfer melalui APBD Kabupaten/Kota dan digunakan untuk membiayai penyelenggaraan kewenangan Desa berdasarkan hak asal usul, dan kewenangan lokal skala Desa. Alokasi Dana Desa merupakan bagian keuangan desa yang diperoleh dari Bagi Hasil Pajak Daerah dan Bagian dari Dana Perimbangan Keuangan Pusat dan Daerah yang diterima oleh kabupaten yang kemudian di transferkan kepada desa untuk mendukung penyelenggaraan pemerintah desa. Sedangkan Bagi Hasil Pajak dan Retribusi merupakan anggarran yang diterima desa bagian dari hasil pajak dan retribusi daerah kabupaten/kota sekurang-kurangnya yaitu 10% dari realisasi penerimaan hasil pajak dan retribusi. Penelitian ini membahas tentang pengaruh dana desa, alokasi dana desa dan bagi hasil pajak dan retribusi terhadap kemiskinan di Kabupaten Banjarnegara. Regresi data panel dengan metode fixed effect model merupakan metodologi yang digunakan dalam penelitian ini. Hasil regresi menunjukkan bahwa variabel dana desa dan bagi hasil pajak dan retribusi berpengaruh negatif dan signifikan terhadap penurunan kemiskinan di Kabupaten Banjarnegara. Sedangkan variabel alokasi dana desa berpengaruh positif tidak signifikan terhadap penurunan kemiskinan di Kabupaten Banjarnegara.*

Kata Kunci: *Dana Desa, Alokasi Dana Desa, BHPR, Kemiskinan*

INTRODUCTION

Poverty is an important problem in Indonesia, so it has become a focus of attention for the Indonesian government (Sulton Malik, 2019). The problem of poverty in Indonesia is an important issue that must be addressed immediately because many Indonesians are still below the poverty line. This condition can be seen in Figure 1.

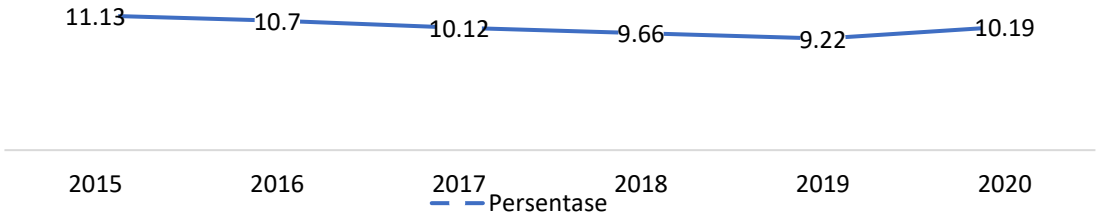

Figure 1. Percentage of Poor Population in Indonesia 2015-2020
Source: Statistics Indonesia, 2020

Over the last five years, the percentage of poor people in Indonesia has continued to decline. At the end of September 2020, the percentage of poor people in Indonesia increased by 0.97 compared to September 2019. This is due to the Covid-19 pandemic experienced by all countries, including Indonesia. When viewed from the percentage of the number of poor people in Indonesia, there are still 18 (eighteen) provinces whose percentage of poor people is below the national poverty rate. This is shown in Figure 2

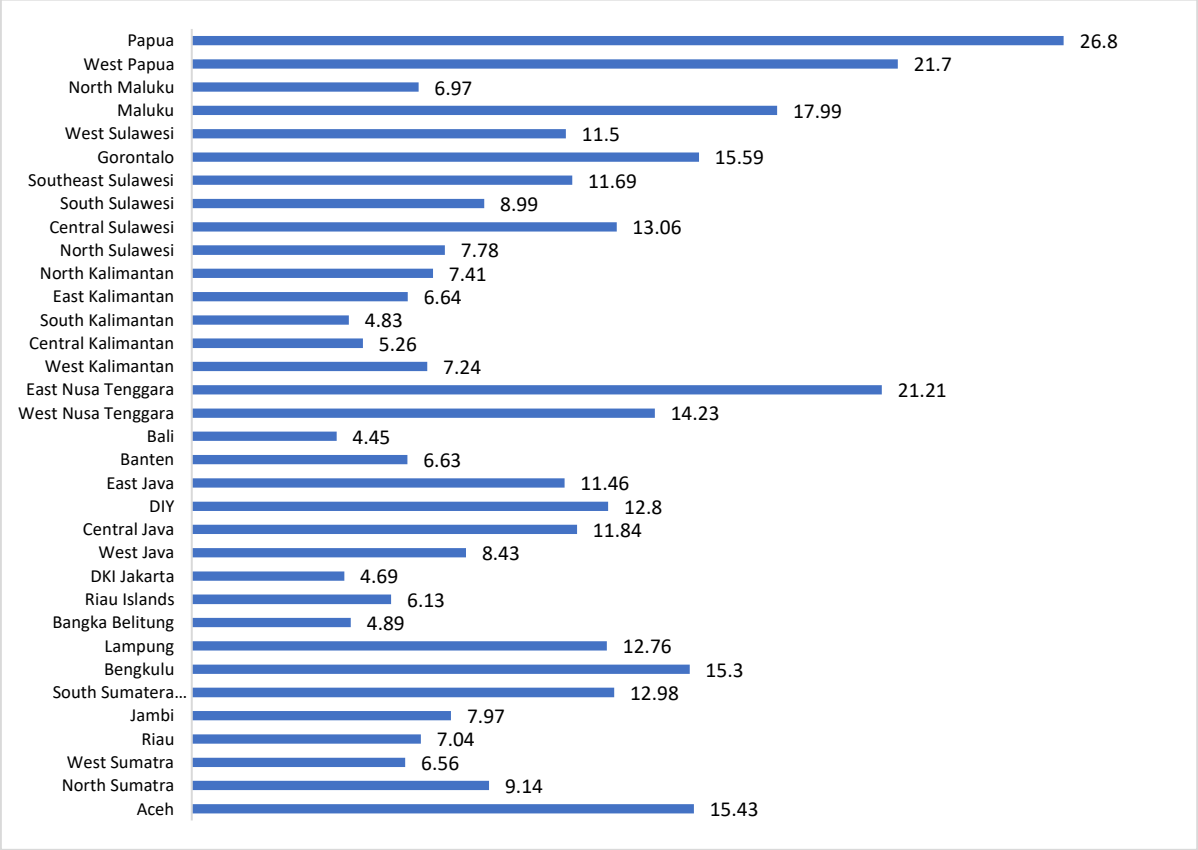

Figure 2. Percentage of Poor Population by Province (September 2020)
Source: Statistics Indonesia, 2020

One of the visions of the 2005-2025 Regional Long-Term Development Plan of Central Java Province is prosperity, where the commitment of Central Java Province in achieving the objectives of

the Regional Long-Term Development Plan is to reduce poverty. The decline in the poor population in Central Java Province can be seen in Figure 3.

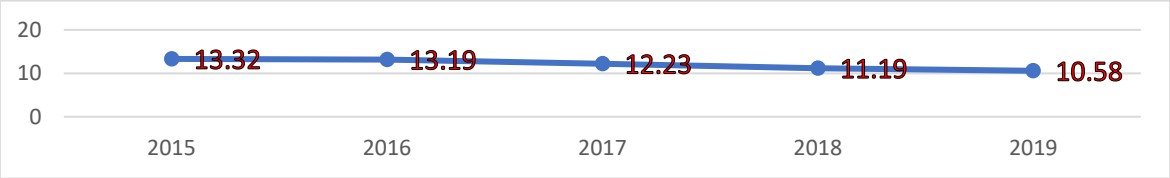

Figure 3. Percentage of Poor Population in Central Java Province in 2015-2019
Source: Central Java BPS 2019

The graph shows that the percentage of poor people in Central Java Province from 2015-2019 has decreased every year. One of the areas in Central Java Province where the poor population is still relatively high is Banjarnegara Regency. The condition of poverty in Banjarnegara Regency can be seen in Figure 4.

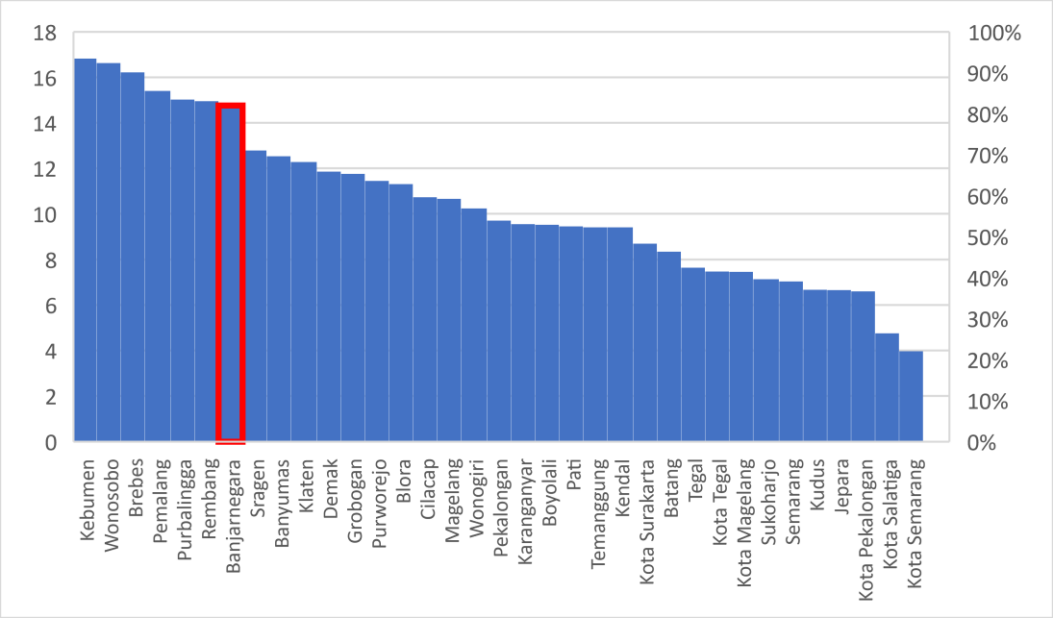

Figure 4. Poverty Percentage in Central Java Province
Source: Performance Report of the Banjarnegara Regency Poverty Reduction Coordination Team (TKPK) in 2019

The role of local and central government is necessary for improving the welfare of the people in the region. Since 2015, the government has provided Village Funds to villages sourced from the APBN, which is transferred through the Regency/City APBD. Villages have the right to manage their authority and funding. One of them is through the Village Fund sourced from the State Revenue and Expenditure Budget designated for the Village, and ransferred through the Regency/City Regional Revenue and Expenditure Budget, which was rolled out in 2015 to finance government administration, development implementation, community development, and empowerment.

The Village Fund Allocation, or ADD is the portion of village finances obtained from the Regional Tax Revenue Sharing and the portion of the Central and Regional Financial Balance Fund received by the district. According to the Village Fund Allocation Regulation, it comes from the Regency/City Budget which is sourced from the Central and Regional Financial Balance Fund received by the Regency/City for Villages of at least 10% (ten percent).

The Minister of Home Affairs Regulation Number 37 of 2007 concerning Guidelines for Village Financial Management Article 19 states that one of the objectives of the Village Fund Allocation is to reduce poverty and inequality. Based on Law Number 6 of 2014 Article 72 Paragraph 1, it is stated that

village income is included in the transfer income group other than the Village Fund Allocation (ADD), namely the revenue sharing of district/city taxes and levies. Villages receive a share of the results of district/municipal taxes and levies at least 10% of the actual revenue from taxes and levies.

Empirically, several studies discuss the effect of Village Funds and Village Fund Allocations on poverty, including research conducted by Sunu and Utama (2019), which concludes that Village Funds have a negative and significant effect on poverty levels and community welfare in districts/cities Bali province. Another study conducted by Sigit and Kosasih (2020), regarding the effect of village funds that have been running for 3 years from 2015-2017 to alleviate poverty in 33 provinces in Indonesia in the panel data method concluded that village funds have a significant negative influence on poverty alleviation in Indonesia.

Based on the description of the previous research above, there are still differences in the results of the relationship between poverty and the variables of the Village Fund and Village Fund Allocation. This distinction necessitates research on the Effect of Village Funds, Village Fund Allocations and Village Fund Allocations and Tax and Retribution Revenue Sharing Village Funds on Poverty in Banjarnegara Regency, as well as references for further study.

METHODS

The research approach used is quantitative. A quantitative approach is an approach in research if the data is in the form of numbers and the analysis uses statistics (Sugiono, 2012). This type of research is correlational in nature, with the goal of determining the relationship and level of relationship between village fund variables, village fund allocation and Tax and Retribution Revenue Sharing Village Funds on the poverty variable.

The data used as analysis material in this study is secondary data sourced from data collected by the relevant OPD, namely the Regional Financial and Asset Management Agency, Research and Development Planning Agency, Community Empowerment, and Village Services for Population Control and Family Planning and Social Services. In the form of documents, available reports, and soon. According to Sugiono, (2012), the type of secondary data is obtained by researchers from other sources for later research. This secondary data was obtained from archives, such as sub-district profiles and data related to the research object, including data on Village Funds and Village Fund Allocations. The data analysis techniques used are as follows:

Research Model Specification

According to Gujarati, (2013), panel data combines individual data (*cross-section*) and *time series data*. The analysis used in this study is to determine how much influence the independent variables, namely DD (X_1), ADD (X_2), and BHPR (X_3) have on the dependent variable, namely Poverty (Y). The panel data regression equation used is as follows:

$$Y_1 = \alpha + \beta_1 X_1 + \beta_2 X_2 + \beta_3 X_3 + e$$

Where:

Y	= Poverty
α	= Constant
β_1 β_2 β_3	= Regression coefficient
X_1	= DD
X_2	= ADD
X_3	= BHPR
e	= Standard *error*

Panel Data Regression Model Estimation

Panel data regression analysis and in-depth interviews were used as research methods in this study. Panel data analysis can be done in three ways: the common effect approach, the fixed effect approach, and the random effect approach. The descriptions of the three approaches are:

Pooled Least Square (PLS)/ Common Effect Model (CEM)

The PLS or CEM approach is the simplest form of regression or estimation in panel data testing, which only combines (*pooled*) all-*time series* and *cross-section data.* In this PLS or CEM model, the time and individual dimensions are not shown, so it is assumed that the behavior of the data is the same in various *time-invariant* (Gujarati, 2013).

Fixed Effects (FEM)

The Fixed Effect Model (FEM) assumes that there are differences in intercepts between individuals. However, the coefficient (slope) of the independent variable remains the same between individuals or over time. The FEM model is as follows (Gujarati, 2013):

$$lnGDP_{it} = \beta_0 + \beta_1 lnEXP_{it} + \beta_2 lnFDI_{it} + \beta_3 lnER_{it} + e_{it}$$

With 1 as the intercept, 2, 3, and 4 as the coefficient of the independent variable.

Random Effect (REM)

This approach is called the *Random Effect Model* (REM) or *Error Components Model* (ECM) approach, which assumes that 1i is a random variable with an average value of 1. Furthermore, the intercept value for each individual is modeled by Gujarati and Porter (2012: 250) In the research conducted by Basuki and Yuliadi (2017), it is stated that in order to determine the most appropriate model for processing panel data, several things can be done, namely:

Chow test

The Chow test determines the most appropriate *Fixed Effect* or *Random Effect model* for estimating panel data. According to Gujarati, (2013), in the Chow test, the hypothesis formed is as follows:

H_0 : *Common Effect Model*

H_1 : *Fixed Effect Model*

H_0 is rejected if the P - *value* is less than a value, and conversely, H1 is accepted if the P - *value* is greater than a value. The alfa value used is 5% (0.05).

Hausman test

The Hausman test is carried out to determine the most appropriate *Fixed Effect* or *Random Effect model* for estimating panel data. According to Gujarati (2013), in the Hausman test, the hypotheses formed are as follows:

Ho: *Random Effect Model*

H1: _ *Fixed Effect Model*

H0 is rejected if the P - *value* is less than a value, and conversely, H1 is accepted if the P - *value* is greater than a value. The alfa value used is 5% (0.05).

Classic assumption test

Testing the normality of the data is a test of the normality of the data distribution. In addition to using graphs, the normality test can be performed using the Jarque-Bera method (JB test). JB test is done by looking at the probability value of Jarque-Bera.

The multicollinearity test is used to see the correlation between each independent variable. One method that can be used to determine the presence or absence of multicollinearity can be seen from the correlation value between the two independent variables.

Heteroscedasticity is a situation where the data distribution is not the same, or the variance is not the same, so the significance test is invalid. The heteroscedasticity test aims to determine whether there is an inequality of residual variance (confounding error) in a regression model from one observation to another. One way to detect heteroscedasticity problems is to use the Glejser test.

Hypothesis test

In testing the hypothesis, several tests will be carried out, including the coefficient of determination test (R^2), the overall regression coefficient test (F-test), and the individual regression coefficient test (t-test).

RESULTS AND DISCUSSIONS

Descriptive Data Analysis

The data used in this study is data on the percentage of poor people in each village in Banjarnegara Regency as the dependent variable. As for the independent variables, namely data on the amount of Village Funds (DD), Village Fund Allocations (ADD) and Village Fund Allocations and Tax and Retribution Revenue Sharing Village Funds received by each village in Banjarnegara Regency. The data on the development of the poor in Banjarnegara Regency is shown in Figure 5.

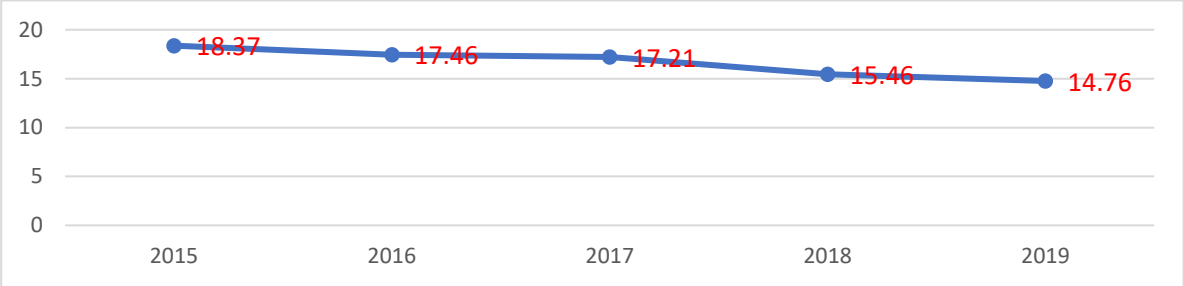

Figure 5. Percentage of Poor Population in Banjarnegara Regency in 2015 to 2019
Source: TKPK Banjarnegara Regency in 2019

Judging from its development, the poverty rate in Banjarnegara Regency in 2015 - 2019 shows a decreasing *trend*. In 5 years, the poverty rate in Banjarnegara Regency decreased by an average of 0.50/year. This decrease was in line with the decrease in the average of the Province of Central Java by 0.28% in the same year. It can be seen that over the last five years, the poverty rate has decreased with the slowdown. This shows that poverty reduction efforts during this period were practical (Figure 4). Based on the Minister of Social Affairs Regulation Number 5 of 2019 concerning Integrated Data Management of Social Welfare 2019, a total of 123,833 households and 432,113 people in Banjarnegara Regency are categorized as poor.

Three (3) techniques can be used in estimating the parameters of the panel data regression model, namely *common effects*, *fixed effects,* and *random effects*. This study tries to test using the three approaches and choose one of the best results among the three methods.

Common Effects Approach

The common Effects Approach *Model* (CEM) is the simplest form of regression or estimation in panel data testing which only combines (*pooled*) all-*time series* and *cross-section data.* In this CEM model, the dimensions of time and individuals are not shown, so it is assumed that the behavior of the data is the same in various *time-invariant* (Gujarati & Porter, 2012, pp. 240-241). The results of the Common Effects Model (CEM) test in this study can be seen in table 4.1.

Table 1. Estimation Results of *Common Effects*

Variable	Coefficient	Std. Error	t-Statistic
C	-7,192	0,903	-7,966
LOG(DD)	0,678	0,126	5,378
LOG(ADD)	1,066	0,159	6,714
LOG(BHPR)	-0,582	0,046	-12,648
R-squared	0,227	Durbin-Watson stat	0,385

From the table it can be known that the values of the constants and parameters of each variable are independent. In addition, it also looks at the variables of village funds, the allocation of village funds and the revenue sharing of taxes and levies whether they are positive or negative signs on the variables of poverty. It is known that the variables of Village Fund (DD), and Village Fund Allocation (ADD) have a positive influence on the percentage of poor people. Meanwhile, the Tax and Levy Revenue Sharing (BHPR) variable negatively affects poverty. This means that when there is an increase in the DD and ADD variables, it will increase the percentage of poverty. Conversely, when the BHPR variable increases, it will reduce the percentage of poverty. Then all variables have a significance influence of $\alpha \leq 0.05$ so it can be said that all variables affect the poverty rate.

Fixed Effects Approach

According to Gujarati and Porter (2012: 242), *the Fixed Effect Model* (FEM) assumes that there are differences in intercepts between individuals. However, the coefficient (slope) of the independent variable remains the same between individuals or over time. Here are the results of the *Fixed Effect test Model* (FEM) in this study.

Table 2. Estimation Results of *Fixed Effects Model*

Variable	Coefficient	t-Statistic	Prob.
C	-2,8688	-1,5127	0,1310
LOG(DD)	-0,0988	-3,0552	0,0024
LOG(ADD)	1,0316	3,2011	0,0015
LOG(BHPR)	-0,2052	-15,534	0,0000

The results of the regression of the fixed effects model show that the variables DD and BHPR negatively affect the percentage of poverty. However, with a significance value of $\alpha \leq 0.05$, it shows that all variables have an influence on the percentage of poverty.

Random Effects Approach

The *Random Effect Model* (REM) approach considers individual and time effects as part of the error component. The results of the *Random Effect Model* (REM) test in this study are as follows:

Table 3. Random Effects Model Estimation Results

Variable	Coefficient	Std. Error	t-Statistic	Prob.
C	-4,8298	1,2739	-3,7911	0,0002
LOG(DD)	-0,0334	0,0738	-0,4527	0,6509
LOG(ADD)	1,3631	0,2182	6,2459	0,0000
LOG(BHPR)	-0,3550	0,0339	-10,4832	0,0000

The regression results of the random effects model show that the DD and BHPR variables negatively affect the percentage of poverty in Banjarnegara Regency. Independent variables that have an influence on the percentage of poverty have a significance value of $\alpha \leq 0.05$. This means that the DD and BHPR variables that have a significance value of $\alpha \leq 0.05$ negatively affect the percentage of impoverishment.

Chow test

The Chow test is a test conducted to determine the most appropriate *Fixed Effect* or *Random Effect model* for estimating panel data. If the results of the Chow test decide to choose the *Fixed Effect Model* (FEM), then the next step is to perform the Hausman Test, which is to choose between the *Fixed Effect Model* (FEM) and the *Random Effect Model* (REM). If the Chow test results in selecting the *Common Effect Model* (CEM), then the next step is to perform the *Lagrange Multiplier* (LM) test. This LM test

chooses between the *Common Effect Model* (CEM) and the *Random Effect Model* (REM). In making the Chow test decision, the basis is if the value of *Prob. The Chi-square cross-section is* less than 0.05% (5%), so the decision chosen is the *Fixed Effect Model* (FEM). On the other hand, if the value of *Prob. The Chi-square cross-section* is more than 0.05% (5%), then the decision chosen is the *Common Effect Model* (CEM).

Table 4. Chow Test Estimation Results

Effects Test	Statistic	d.f.	Prob.
Cross-section F	15,0292	(265,529)	0,0000
Cross-section Chi-square	1710,4764	265	0,0000

Based on the table above, the value of prob. Cross-section chi-square of 0.0000. This means that the fixed effects model is better used than using the common effect model. Furthermore, because the fixed effect model was chosen, a Hausman test was carried out to determine the best model between fixed effects and random effects.

Hausman test

The Hausman test is a test conducted to determine the most appropriate *Fixed Effect* or *Random Effect model* for estimating panel data. In decision-making, the Hausman test is the basis of the value of *Prob. The Chi-square cross-section is* less than 0.05% (5%) so the decision chosen is the *Fixed Effect Model* (FEM). On the other hand, if the value of *Prob. If the Chi-square cross-section* is more than 0.05% (5%), then the decision chosen is the *Random Effect Model* (REM).

Table 5. Hausman Uji Test Results

Test Summary	Chi-Sq. Statistic	Chi-Sq. d.f.	Prob.
Cross-section random	41,2951	3	0,0000

Based on the table above, it is known that the *prob value. Random cross-section* of 0,0000. Prob value comparison. Cross-Section Random with a significance level of 0.05 produces p <, meaning that the *fixed effects model* is more appropriate for this study than the *random effects model.*

Classic Assumption Test Results

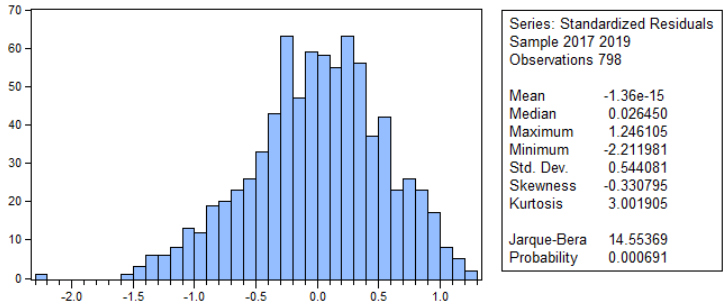

Figure 6. Normality Test Results

Comparing the above Prob (JB-stat) values with α. The prob (JB-stat) above is 0.029668 ≤ α = 0.05, meaning it does not follow the normal distribution. In a study conducted by Ghasemi (2012;10) entitled Normality Tests for Statistical Analysis : A Guide for Non-Statisticians mentioned that if the sample size is large enough, we may be able to relax the normality of assumptions. With a fairly large sample size (>30 or 40), the violation of the assumption of normality should not pose a big problem, this implies that we can use parametric procedures even when the data is not normally distributed. If we have a sample consisting of hundreds of observations, we can ignore the distribution of data.

The R-squared value for the fixed effects model in Table 4.3 is 99.26 percent, this R-squared value as described in the methodology section in Chapter 3 is considered high, while the F Test is significant, hence the probability of no multicollinearity. In addition, in this study the identification of multicollinearity was carried out by looking at the correlation matrix of explanatory variables. The multicollinearity test is a test used to see the correlation between each free variable. One of the methods that can be used to determine the presence or absence of multicollinearity can be seen from the correlation value between the two free variables. If the correlation value is less than 0.8 then the free variable has no multicollinearity problem, and vice versa (Ghozali, 2016). Based on the results of the table below the correlation value is not higher than 0.8, it is suspected that there is no multicollinearity problem.

Table 6. Multicollinearity Test Results

Variable	LOG(DD)	LOG(ADD)	LOG(BHPR)
LOG(DD)	1,0000	0,4935	0,3161
LOG(ADD)	0,4934	1,0000	0,1948
LOG(BHPR)	0,3161	0,1948	1,0000

The heteroscedasticity test in this study was conducted by regressing between the independent variables with the absolute value of the residual. If the residual significant value > 0.05 then there is no heteroscedasticity (Gujarati, 2013). The following are the results of the heteroscedasticity test that has been carried out:

Table 7. Heteroscedasticity Test Results

Variable	Coefficient	t-Statistic	Prob.
C	42,7435	1,7879	0,0742
LOG(DD)	-1,1291	-0,3384	0,7351
LOG(ADD)	-4,3414	-1,0326	0,3021
LOG(BHPR)	-0,9252	-0,7587	0,4483

From the output above, it can be seen that the significance values for DD, ADD and BHPR are higher than 0.05. It can be said that the model does not occur heterochedasticity problems.

Coefficient of Determination (R^2 Test)

The coefficient of determination is a number that gives the proportion or percentage of the total variation in the bound variable (Y) described by the free variable (X). The value of the coefficient of determination is between zero and one. A small R square value indicates the ability of independent variables to describe dependent variables is very limited. Conversely, an R square value close to 1 (one) means that independent variables provide almost all the information needed to predict the variation of dependent variables.

From the results of estimates using the fixed effects method in Table 4.3., an Adjusted R square value of 0.988851 was obtained. This explains that the free variables in this model (DD, ADD and BHPR) are able to explain the variation in the percentage of poor people in Banjarnegara Regency during 2017-2019 of 98.88 percent. This shows that 98.8851 percent of the variation of the bound variable i.e. the percentage of poverty (Y) can be explained by the free variable

Regression Analysis Statistical Test Results

Simultaneous Testing (F Test)

The F test is used to determine the effect of all the independent variables contained in the model together on the dependent variable (Gujarati, 2013). This is done by comparing the value of the F-statistic with the F table. If the calculated F-statistic is greater than the F table, the independent

variables simultaneously affect the dependent variable, and vice versa. The value of the F statistic test in this study can be explained as follows:

Table 8. Results of F Test Panel Data Regression

F-statistic	264,7724
Prob(F-statistic)	0,000000

The results of the significance test together in this study obtained Prob (F-Statistics) of 0.000000. Furthermore, calculations and pairings with the F-table are carried out to test whether independent variables affect the dependent variables. Based on Table 4.8 the F-statistical value is 264.7724, while the F value of the table can be obtained by looking for the numerator value of the degree of freedom (df1), namely the number of independent variables, the degree of freedom (df2) denominator, namely the number of samples minus the number of free variables minus 1 (n-k-1). If it is known that the degree of confidence is 95 percent, the value of df1 = 3 and the value of df2 = 262 (266-3-1), then the F value of the table is 2.6390560. When compared between the F-statistical value and the F value of the table then 264.7724 > 2.6390. From these results, it was concluded that independent variables (DD, ADD, and BHPR) together had a significant effect on dependent variables.

Individual Test (t-Test)

The t-test is used to show how far an individual independent variable affects the dependent variable. The t test is performed by comparing the calculated t with the table t. If t counts < t the table then an alternative hypothesis is accepted which states that independent variables individually affect dependent variables. Conversely, if t counts > t table then the independent variables individually do not affect the dependent variables.

The effect of the variables of Village Funds, Village Fund Allocations, and Revenue Sharing of Levy Tax on Poverty in Banjarnegara Regency in 2017-2019 using a 95% confidence level (α = 0.05), degree of freedom (df) = 266 (n-k-1 = 266-3-1) with a result of 262 so that a t table of 1.650690 was obtained for the right party test or - 1.651 for the left party test. The statistic t value of each independent variable can be seen from the table below:

Table 9. Results of *the Fixed Effect Model*

Variable	Coefficient	t-Statistic	Prob.
C	-2,8688	-1,5127	0,1310
LOG(DD)	-0,0988	-3,0551	0,0024
LOG(ADD)	1,0316	3,2011	0,0015
LOG(BHPR)	-0,2052	-15,5342	0,0000

Based on the results of the panel data regression, the following multiple regression equation was obtained:

$$KMK_{it} = -2.869 - 0.099LogDD_{it} + 1.032LogADD_{it} - 0.205LogBHPR_{it}$$

Interpretation of Research Results and Discussion

The Effect of Village Funds on the Percentage of Poor Population in Banjarnegara Regency

The Village Fund variable has a negative influence according to the regression coefficient which is negative. This shows that when the village fund increases by 1%, the number of poor people in Banjarnegara Regency will decrease with a coefficient of -0.099%. That is, if adjusted to the variable coefficient of -0.099, then if the Village Fund increases by 1% it will reduce the percentage of the poor by 0.09%. Village Funds received by each village in Banjarnegara Regency are used to finance village development aimed at improving the welfare of the village community, improving the quality of human life and poverty reduction with the priority of using village funds directed to the implementation of village development programs and activities.

The results of this study are in line with the results of a study conducted by Azwardi (2014) proving that village funds have a significant negative effect on the poverty rate. Irma, (2015) who concluded that the Village Fund has a significant negative effect on poverty alleviation in Indonesia. Susilowati et al., (2017) where there is a conclusion that the Village Fund has a significant negative influence on reducing the poverty rate in East Java Province. Sunu, K (2019), stated that village funds have a significant negative effect on poverty rates.

The Effect of Village Fund Allocation on the Percentage of Poor Population in Banjarnegara Regency

The determination of the Village Fund Allocation amount is actually calculated based on the fixed income of the village apparatus and coupled with the formula allocation. In this study, there is an interpretation of the results of the fixed effect which states that the Village Fund Allocation has a significant positive effect on the poverty rate. This is not in line with Lalira's research, D (2018) proving that the allocation of village funds has a negative effect on reducing poverty. Sigit and Kosasih (2020), where the result of this study is that the policy of distributing village fund allocations has a significant negative influence on the poor population of regencies/cities in Indonesia.

In Banjarnegara Regency, the amount of village fund allocation budgeted in 2017 and 2018 is the same, while in 2019 it was increased to increase the empowerment of rural communities. In this study, the Village Fund Allocation had a positive effect on poverty in Banjarnegara Regency because basically the use of Village Fund Allocation was mostly used for village government administration. Village Budget in every village in Banjarnegara Regency, the field of village community empowerment is the least expenditure compared to other fields, and community empowerment programs and activities are also not optimal. The allocation of village funds in Banjarnegara Regency is mostly used for village government operations such as routine spending for fixed income for village equipment and shopping for stationery for village government performance support offices

Village Fund Allocations and Tax and Retribution Revenue Sharing Village Funds on the Percentage of Poor Population in Banjarnegara Regency

Government Regulation Number 43 of 2014 concerning Implementing Regulations of Law Number 6 of 2014 concerning Villages Article 97 states that the regency/city government allocates part of the proceeds of taxes and levies of the regency/city area to the village at least 10% (ten hundredths) of the realization of tax revenues and levies from the regency/city.

In this study, the Tax and Levy Revenue Sharing Fund showed a negative correlation where it showed that the increase in the percentage of poverty in Banjarnegara Regency was influenced by the Tax and Levy Revenue Sharing Fund. So that if the village obtains a Profit Sharing Fund, it will reduce poverty by 0.2%. This is the same as the research of Isramiwarti, R (2017) with the result that the Profit Sharing Fund (DBH) has a negative and significant influence on reducing the number of Poverty Rates. The use of revenue sharing funds for taxes and levies received by villages is realized to help community empowerment activities such as increasing MSME activities and exploring the potential taxes and levies in the village, such as potential billboard taxes, MBLB taxes, parking taxes, restaurant taxes, entertainment taxes, hotel taxes, entertainment taxes, public curbside parking levies, tourist attraction levies and so on.

CONCLUSIONS

Based on the results of the study, several conclusions can be obtained as follows:

Village funds have a negative influence on the percentage of poverty, which means that village fund distribution is able to reduce the percentage of poor people in Banjarnegara Regency. The use of village funds is realized in accordance with instructions from the Minister of Disadvantaged Villages and Transmigration on priorities for the use of village funds, including in the field of development and community empowerment.

The allocation of village funds has a positive effect on the percentage of poverty because the management of village fund allocations is intended for village government programs and operational activities, and then the rest is used for the empowerment of village communities so that the level of

empowerment of village communities is still low. The majority of village fund allocations in Banjarnegara Regency are absorbed only for the payment of fixed income of village officials, namely village heads, village secretaries and other village officials.

The Regional Tax and Levy Revenue Sharing Fund has a negative influence on the percentage of poverty because the funds can be used for financing UMKM, community empowerment activities and others related to community welfare. So that the amount of tax revenue sharing funds and levies received will have an impact on the number of activities realized for community empowerment in poverty alleviation efforts.

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