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Dependence on Central Transfer Funds in Alleviating Poverty in Districts/Cities Papua Province

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A R T I C L E I N F O

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A B S T R A C T

The purpose of this study is to analyze whether poverty alleviation in the Districts/Cities of Papua province can be influenced by Regional Original Income or still depends on central transfer funds. The research method is panel data analysis with Fixed Effect Model (FEM) approach using EViews12. The results showed that Regional Original Income did not have a significant effect on poverty in the Districts/Cities of Papua Province, while the Balancing Fund and Special Autonomy Fund had a significant effect on poverty in the Districts/Cities of Papua Province. This shows that in alleviating poverty in the Districts/Cities of Papua province still depends on central transfer funds, namely the balance fund and special autonomy funds.

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INTRODUCTION

Poverty is a classic situation in all countries and even regions where a household in meeting its basic needs are not met (Sendouw et al., 2019). Poverty is the most central issue discussed around the world, especially in developing countries including Indonesia. The government has made various efforts in poverty alleviation to create public welfare and that is the ultimate goal of a country's ideals. Various ways, concepts, and efforts about poverty are processed evaluated, and adapted in various developing countries but have not produced satisfactory results because there are still many developing countries whose people are still in the cycle of poverty, including Indonesia. Not only do emerging nations like Indonesia suffer from poverty, but so do other nations like China. According research Fosu (2017) China has poverty rates at the $1.25 rate of 1.7% for urban areas and 26.1% for rural areas, which is higher than the global median of 17.9%. Thus, terrible poverty has spread throughout China's rural areas. In comparison, India has poverty rates that are significantly higher than the world median in both rural and urban areas, at 43.8 and 36.2 percent, respectively. It's possible that India's recent rapid GDP growth hasn't had the same impact on poverty.

In alleviating poverty, of course, government intervention is needed where the government needs to allocate funds in poverty alleviation both from local original income and transfer funds from the centre. Regional Original Revenue is regional original revenue that aims to strengthen regional financial capabilities in the concept of regional financial autonomy so that regions do not rely on depend on balancing funds (Banga, 2017). In Law Number 33 of 2004 article 1 paragraph 18 that "Regional Original Revenue is revenue obtained by the Region collected based on Regional Regulations by laws and regulations". According to Abdul Halim (2004) Local Original Revenue is revenue obtained by a region from sources in the area and collected under regional provisions and applicable laws and regulations.

THEORETICAL REVIEW

Regional autonomy allows local governments to self-regulate in the public interest. By doing this, each region is expected to utilize its resources to increase the income of its respective regions while increasing the degree of regional independence from the centre. With Local Original Income growing at a positive rate, there is a possibility of increasing economic growth, one of which is poverty alleviation (Kadafi & Murtala, 2020)

According to research by Budi Purnomo (2009), Gede et al. (2018), Hanif Nurcholis (2007) to fund the implementation of their respective regional autonomy, local governments obtain local original revenues sourced from regional taxes, regional levies, regional company profits, and others that are legitimate by the potential of the region itself as a manifestation of decentralization and in making local government policies in improving the standard of living of the people in each region by utilizing existing regional Original Revenue to provide benefits and well-being in the long run. Research by Manek & Badrudin (2017) Income derived from the region has a significant negative impact on poverty, as does research conducted by Muhammad Abrar et al. (2020), Rasu et al. (2019) that Local Original Income has a significant effect in reducing poverty. However, it is different found by Kadafi & Murtala (2020) and Fikri et al. (2019) that Local Original Income does not have a significant effect on poverty which means that higher Regional Original Income has not been able to reduce the poverty rate. Similarly, Supardi & Syagitha's research, (2016) that local original income has a positive influence on poverty, which means that the higher the local original income, the more poverty increases.

In addition to Regional Original Revenue, the Balancing Funds, is one of the sources of regional revenue that helps regional needs during the implementation of decentralization. It is hoped that the Balancing Funds will give regions independence to manage their finances, thereby boosting economic growth and reducing poverty (Paat et al., 2017). According to research findings, the Balancing Fund generally has the potential to negatively impact the rates of poverty in the regions, particularly if the monies are utilized efficiently and in harmony with appropriate policies aimed at reducing poverty by Badrudin & Kuncorojati (2017), Jalil (2020), Kadafi &Murtala (2020), Paulus et al. (2019), and Wijaya et al. (2018) where the Balancing Fund had a significant effect in reducing poverty in the regions. This is the research conducted by Balqis & Suriani (2021), Gumelar & Khairina (2021) and Paulus et al. (2019), that the Balancing Fund can significantly reduce the poverty rate. However, in contrast to the research conducted by Manek & Badrudin (2017), Paat et al. (2017), that the Balancing Funds has a positive impact on poverty levels. Similarly, research conducted by Panji & Indrajaya (2016) found that the Balancing Funds has a positive effect on poverty levels.

According to Law No. 21 of 2001, the central government grants Papua province particular authority to run its own government, just like other regional governments in Indonesia, with the goal of reducing poverty. Law No. 21 of 2001 on Special Autonomy for Papua Province states "that Special Autonomy is a special authority recognized and granted to Papua Province to regulate and manage the interests of local communities according to its initiative based on the aspirations and basic rights of the Papuan people". The province of Papua is granted the power to govern its territory in compliance with rules and regulations based on the aforementioned Law. The authority of Papua Province is governed by Provincial Regional Regulations (Perdasi), and the authority of regencies and cities is governed by Special Regional Regulations (Perdasus). Perdasus encompasses all governmental powers, with the exception of those related to foreign policy, defence, the economy, the judiciary, religion, and certain other legally designated domains. However, Law No. 2001 places indigenous Papuans and Papuans as a whole as the main subject in government management, both provincial and district/city ratings, as well as the tools under it, to provide the best service and empower the people. Firmansyah et al., (2022) define special autonomy as the extra power granted by the government to the Papuan people to govern and look after their needs and interests in accordance with their rights and aspirations. Under the Papua Special Autonomy Policy, Papuans have the right to self-rule and govern inside the Republic of Indonesia, including province and district/cities governments. In order to maximise the economic, social, and cultural potential of the province, the central government has granted local administrations in Papua province the right to control how natural resources are used in the area. Additionally, it heavily incorporates Papuans of indigenous descent in the formation of regional policies, including establishing the framework for policies that would be put into effect (Rochendi S & Kausar Ali Saleh, 2017).

Based on Law No. 21 above, the central government disburses special autonomy funds, one of which is expected to alleviate poverty in Papua Province. With this fund, local governments can more effectively manage regional finances and allocate funds according to community needs. According to research, this can lessen poverty in the area by enhancing public services, expanding access to healthcare and education, and building infrastructure that fosters regional economic growth by Awom (2021), Fardan (2019) and Muliadi & Amri (2019) in cases when the Special Autonomy Fund directly lowers poverty rates. In contrast to the findings of research like the ones that were by Alfiady & Dewi (2019), Kadafi &; Murtala (2020), that special autonomy funds do not affect poverty, as well as findings from Amar et al. (2023) which suggests that the special autonomy fund does not affect poverty.

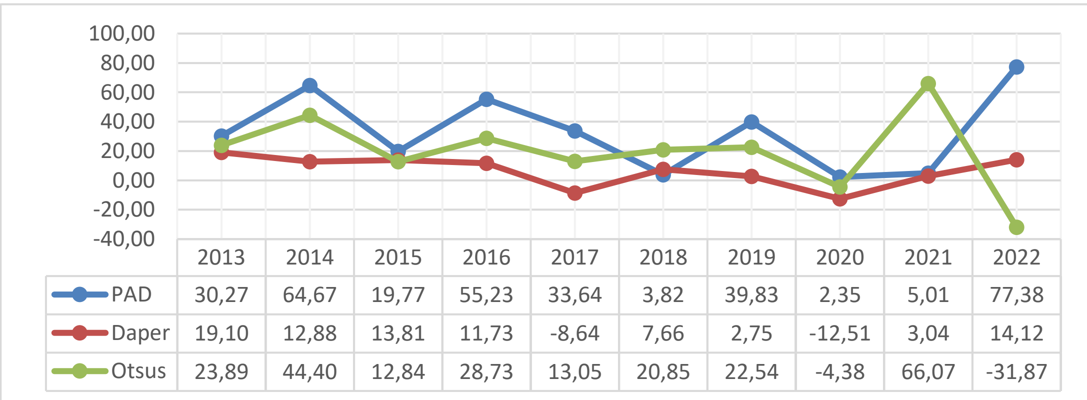
In general, the number of poor people in Indonesia in 2022 decreased by 140.83 thousand people or 26,503.65 thousand people compared to 2021 which was still 26,363.27 thousand people or reached 9.57% in 2022 compared to 2021 which was still 9.71% (BPS, 2022). Quoted from the https://fiskal.kemenkeu.go.id, the decrease in Reductions in the price of commodities globally, particularly food and energy, have an effect on domestic prices and raise people's purchasing power, which is what causes the poverty rate. This is different from Papua province where the poverty rate exceeds the national poverty rate where during the 2012-2022 period it tends to increase even in 2019-2022 it has increased significantly. This is because the development carried out by the government sometimes has not been in accordance with the real needs of the community. Development models implemented by the government that are not based on community needs can result in a decline in community welfare (Gede et al., 2018), even though Papua Province is one of the provinces that gets specificity from the central government and every year receives special autonomy funds.

Based on BPS 2022 data, the poverty rate in Papua Province in the last 11 years has ranged from an average of 28.35%, which is far from the national average of 10.41%. Below is poverty data at the national and provincial levels of Papua in the period 2012-2022

Table 1. Percentage of Poor People in Indonesia and Papua Province Year 2 012-2022

Year	Indonesia (%)	Prov. Papua (%)
2012	11,66	31,53
2013	11,47	30,66
2014	10,96	28,17
2015	11,13	28,40
2016	10,70	28,40
2017	10,26	27,76
2018	9,66	27,43
2019	9,22	26,55
2020	10,19	26,80
2021	9,71	27,38
2022	9,57	28,80
Average/Year	10,41	28,35

The high rate of poverty in the province of Papua to date indicates that the Special Autonomy has not been implemented optimally where the percentage of poverty tends to increase. This indicates that the province government of Papua has not significantly reduced poverty through development implementation. The distribution of finances from the centre, including the sizable special autonomy budget and the balancing fund, suggests that the Papuan people ought to be better off and no longer of poverty. According to data from the Directorate General of Financial Balance (DJPK) of the Ministry of Finance, the balance fund disbursed by the central government to districts/cities and Papua Province in the period 2012-2022 averaged 29.28 trillion and special autonomy funds averaged 6.84 trillion. The following is the growth of Regional Original Revenue, Balancing Fund, and Special Autonomy Fund from 2012-2022 in the Districts/Cities of Papua province.



	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022
PAD	30,27	64,67	19,77	55,23	33,64	3,82	39,83	2,35	5,01	77,38
Daper	19,10	12,88	13,81	11,73	-8,64	7,66	2,75	-12,51	3,04	14,12
Otsus	23,89	44,40	12,84	28,73	13,05	20,85	22,54	-4,38	66,07	-31,87

Figure 1: Regional Original Revenue Growth, Balancing Fund and Special Autonomy Fund in Papua Province. Period 2012-2022

Source: Ministry of Finance of the Republic of Indonesia

According to the chart above, the percentage growth in Regional Original Revenue receipts, Balancing Funds, and Special Autonomy Fund fluctuated from 2012-2022. Where Regional Original Revenue always experienced significant growth averaging 33.20% compared to the Balancing Funds experienced an average growth of 6.39% and the special autonomy fund averaging a growth of 19.61%.

The purpose of this study is to analyze whether Papua province depends on Balancing Funds or local original income in alleviating poverty in Papua province districts/cities during the period 2012-2022.

METHODOLOGY

The method employed is to ascertain the causal relationship between the independent (exogenous) variables of local original income, the balancing fund, and the special autonomy fund and poverty, in accordance with the study's objectives. A population is a group or area made up of items that have specific attributes that have been identified by researchers, examined, and determined (Sugiyono, 2018). The population is used in this study to determine the realisation of local original income, the balancing fund, the special autonomy fund, and poverty. The Central Statistics Agency (BPS) in the province of Papua provides data on poverty, whilst the Directorate General of Financial Balance (DJPK) of the Ministry of Finance provides data on the Regional Original Revenue, Balancing Fund, and Special Autonomy Fund. This study employs a quantitative technique and ratio data analysis to conduct descriptive research. Data are used to examine the relationship between numerically represented variables. According to Sugiyono (2018), descriptive research characterises or evaluates the real, systematic state of the veracity and accuracy of study findings. The ratio scale is a scale that displays the rank, distance, and comparison of the measured constructs, according to Sanusi (2011) in Chandrarin (2017). The flaw with interval scales that utilise relative values—which display variations in magnitude and proportion—is fixed by the use of absolute values. Chandrarin (2017). There were 319 observational data collected for this study, which was conducted in 29 regencies/cities of the Cross portion of the province of Papua between 2012 and 2022. A multiple regression model was employed in this study's analysis methodology. The eViews analytic tool was employed in this investigation. In this study, the independent variables were equalisation funds, local native revenues, and special autonomy funds. Poverty is expressed in percentage terms, although local original revenue, the balancing fund, and the special autonomy fund are expressed in rupiah units.The statistical equations in this study are:

$$\mathbf{Y = \beta_0 + \beta_1 Ln\, X_{1it} + \beta_2 LnX_{1it} + \beta_3 LnX_{3it} + \varepsilon_{it}}$$

Where:

Y = Poverty
X_1 = Local Revenue
X_2 = Balancing Fund

X_3 = Special Autonomy Fund
Ln = Natural Logarithm Value
B_0 = Constanta
β_1, β_2, β_3 = Koefisien Regresi
Ɛ = Error Term

RESULTS

Descriptive Analysis

The standard deviation, minimum, maximum, and mean values are provided by statistical analysis, which also gives an overview of the variation or behaviour of the variables Local Original Income (PAD), Balancing Fund (DP), Special Autonomy Fund (DOK), and Poverty. These are the findings from the descriptive analysis.

Table 2 Descriptive Analysis

	PAD	DP	DOK	KM
Mean	23.77673	27.44717	25.72878	3.323361
Median	23.62776	27.45224	25.66755	3.432373
Maximum	28.10301	29.23600	27.48169	3.861151
Minimum	20.95920	26.67450	23.86592	2.305581
Std. Dev.	1.159474	0.300750	0.539976	0.402506
Observations	319	319	319	319

Source: Eviews 12

Inferred from the above table, which includes 319 observational data points with an explanation for each variable, the variable Regional Original Income has a minimum value of 20.95920, a maximum value of 28.10301, and a mean value of 23.77673, which is higher than the 1.159474 standard deviation. The homogeneity of the variable Local Original Income is demonstrated by this. The Balancing Fund variable is more than the standard deviation by 0.300750, with a mean value of 27.44717 and a minimum and maximum value of 26.67450 and 29.23600, respectively. This indicates that the variable for the Balancing Fund is homogeneous. The Special Autonomy Fund variable is more than the standard deviation (0.539976) by a mean value of 25.72878, a maximum value of 2566755, and a minimum value of 23.86592. This indicates that the Special Autonomy Fund's variable is homogeneous The Poverty variable has a mean value of 3.323361, which is more than the standard deviation of 0.402506, and a minimum value of 2.305581, a maximum value of 3.861151. This indicates that the variable for the Balancing Fund is homogeneous.

With a standard deviation less than the mean value, the variables Local Original Income, Balancing Fund, Special Autonomy Fund, and Poverty demonstrate that all observational data are homogeneous, or share the same variance or features. The trustworthiness of such data is demonstrated by those that meet homogenous qualities (Sanusi, 2016)

Model Selection Techniques

This research uses panel data, so econometric testing is needed. The panel data in question is a combination of cross-section and time series data so it is necessary to test the best model. To determine the model to be used in panel data regression analysis, there are three models, namely Common Effect Model (CEM), Fixed Effect Model (FEM) and Random Effect Model (REM). And to determine the best model that matches this study, a Chow Test is carried out where if the value of Prob Cross-section chi-square <0.05 then the best model Fixed Effect Model (FEM), If the value of Prob Cross-section chi-square >0.05 then the best model Common Effect Model (CEM), if the results of the selected chow test FEM will be continued with the Hausman test. In the Hausman test if the Prob Cross-section random value is <0.05 then the best model is Fixed Effect Model (FEM), if the Prob Cross-section random value is >0.05 then the best model is Random Effect Model (REM). If the Hausman Test is selected FEM then the selection of the best model and model is FEM, but if REM is selected it will be continued with the Lagrange Multiplier test (LM test). In the LM test if the value of Both Breusch-Pagan is >0.05 then the best model is CEM, and vice versa if the value of Both Breusch-Pagan is <0.05 then the best model is REM.

Table 3. Uji Chow

Redundant Fixed Effects Tests
Equation: MODEL_FEM
Test cross-section fixed effects

Effects Test	*Statistic*	*d.f.*	*Prob.*
Cross-section F	286.124564	(28,287)	0.0000
Cross-section Chi-square	1073.226491	28	0.0000

Source : Eviews 12

The statistical Chi-square Cross-section value is 1073.226491 with a Prob. value is 0.00 where the value is <0.05, according to the chow test mentioned above. This indicates that FEM produces the best model Chow Test results, hence the Hausman Test can now be used.

Table 4. Hausman Test

Correlated Random Effects - Hausman Test
Equation: MODEL_REM
Test cross-section fixed effects

Test Summary	*Chi-Sq. Statistic*	*Chi-Sq. d.f.*	*Prob.*
Cross-section random	26.048361	3	0.0000

Source: Eviews 12

According to the results of the Hausman test mentioned above, the Cross-section Random Chi-Square Statistic value is 26.048361 with a Prob. value of 0.000 where the value is less than 0.05. This indicates that the FEM result is the best Hausman test result, and the LM test does not proceed with it. For this reason, the Fixed Effect Model (FEM), the best model, is used in this study.

Classic Assumption Test

Multicollinearity Test

To ascertain whether regression models demonstrate a high or perfect correlation between independent variables, the multicollinearity test is utilised (Ghozali, 2018). In multicollinearity testing, the Variance Inflation Factor (VIF) will be employed. When evaluating hypotheses, the VIF shows whether each exogenous variable is matched with another exogenous variable. Multicollinearity is absent when the VIF value is less than 10 or the tolerance value is greater than 0.10. On the other hand, multicollinearity is present when a tolerance value or VIF value is greater than 0.10.

Table 5: Multicollinearity Test

Variance Inflation Factors Included observations: 319			
Variable	*Coefficient Variance*	*Uncentered* VIF	*Centered* VIF
C	3.219976	10954.32	NA
PEDAPATAN ASLI	0.000384	739.9006	1.749844
DAERAH	0.006868	17603.23	2.106647
Dana Perimbangan	0.001296	2921.007	1.282001
Dana Otonomi Khusus			

Source: EViews 12

The results of the multicollinearity test using the variance inflation factors above indicate that there is no multicollinearity among the three independent variables: the regional revenue variable has a VIF value of 1.7498 <10, the balancing fund variable has a VIF value of 2.1066 <10, and the special autonomy fund variable has a VIF value of 1.2820 <1 0.

Heteroscedasticity Test

According to Gozali (2018), heteroscedasticity tests are used to determine if there are inequalities in regression models between residuals from one observation to another. The Glejser test was used in this study to determine if there were symptoms of heteroscedasticity. There is no heteroscedasticity problem if the Prob value is greater than 0.05.

Table 6: Heteroscedasticity Test

Heteroskedasticity Test: Uji Glejser				
Variable	*Coefficient*	*Std. Error*	*t-Statistic*	*Prob.*
PAD	1.080249	1.296459	0.833231	0.4054
Dana Perimbangan	-4.209419	5.610731	-0.750244	0.4537
Dana Otonomi Khusus	1.604118	1.744233	0.919669	0.3585

Source: EViews 12

The Local Original Income variable is known based on the heteroscedasticity test with the Glejser Test of Prob values. 0.4054>0.05, variable Balancing Funds value Prob 0.4537>0.05, and variable Special Autonomy Fund value Prob. 0.3585. This means that there is no heteroscedasticity problem where the value of all independent variables is greater than 0.05.

Multiple Linear Regression Estimation

The Fixed Effect Model (FEM) is the appropriate model to apply in this investigation, according on the outcomes of the model selection process described above.

Table 7: Fixed Effect Model (FEM)

Dependent Variable: Kemiskinan
Method: Panel Least Squares
Sample: 2012 2022
Periods included: 11
Cross-sections included: 29
Total panel (balanced) observations: 319

Variable	Coefficient	Std. Error	t-Statistic	Prob.
C	9.310581	0.543610	17.12733	0.0000
X1	-0.007750	0.007524	-1.030046	0.3039
X2	-0.180096	0.025214	-7.142795	0.0000
X3	-0.033419	0.008515	-3.924442	0.0001

Effects Specification

Cross-section fixed (dummy variables)

Root MSE	0.056589	R-squared	0.980172
Mean dependent var	3.323361	Adjusted R-squared	0.978030
S.D. dependent var	0.402506	S.E. of regression	0.059660
Akaike info criterion	-2.705385	Sum squared resid	1.021531
Schwarz criterion	-2.327685	Log likelihood	463.5089
Hannan-Quinn criter.	-2.554546	F-statistic	457.6611
Durbin-Watson stat	1.245457	Prob(F-statistic)	0.000000

Source: EViews 12

Based on the table above, the statistical equation in this study is as follows:

Poverty = 9.3106 - 0.0078PAD - 0.1801DP - 0.0334DOK

Based on the equation above, the study's constant is 9.3106; if the Local Original Income, Balancing Fund and Special Autonomy Fund are all zero, poverty will stay at 9.3106 as well. Regression coefficient of -0.0078 and significance of 0.3039 indicate that Local Original Income also affects poverty. According to these numbers, poverty will drop by 0.0078, although not much, for every 1% increase in local original income. According to this, there is a slight but negative correlation between local original income and poverty. 0.0000 is the significance value and -0.1801 is the coefficient value at which the Balancing Fund affects poverty. Based on this figure, poverty is expected to decrease by 0.1801 when the equalisation budget increases by 1%. Accordingly, The Balancing Fund has a negative and significant impact on poverty in the

Districts/Cities of Papua Province. Additionally influencing poverty is the Special Autonomy Fund, which has a significance value of 0.0001 and a coefficient value of -0.0334. Based on this figure, poverty will drop by 0.0334 when the special autonomy fund is increased by 1%. Therefore, special autonomy funds have a negative and significant impact on poverty levels in the districts/cities of Papua Province.

Regional Original Income, Balancing Fund, and Special Autonomy Fund can reduce poverty in Papua province districts/cities by 97.80 percent, according to the coefficient of determination of 457.66 with an F-statistic probability of 0.000. Other variables not included in this research model can reduce poverty variation by 2.20%.

DISCUSSION

The Effect of Local Original Income on Poverty

Based on the results of research Regional Original Income does not have a significant effect on reducing poverty in districts/cities of Papua province. Although the growth of Regional Original Income has experienced an average growth of 33.2% but has not been able to overcome poverty in the districts/cities of Papua province, it means that Regional Original Income cannot be relied on to alleviate poverty in the districts/cities of Papua province. This is according to research conducted by Kadafi & Murtala (2020) found that Local Original Income does not affect poverty. However, if you look at the results of the analysis where Regional Original Income negatively affects poverty, then if the local government of Papua province can optimize the sources that are the basis of Regional Original Income, in the long run, the role of Regional Original Income can reduce the poverty rate.

The Effect of the Balancing Fund on Poverty

According to the study's findings, the Balancing Fund significantly reduces poverty in the province of Papua's cities and districts. Papua province's districts and cities saw an average gain in equalisation fund revenues during the 2012–2022 period of 6.38%, however this growth had a major impact on reducing poverty in the region. Accordingly, poverty would decrease more quickly in Papua province Districts/Cities the larger the equalisation budget that the federal government provides to them. This is in line with research conducted by Balqis & Suriani (2021), Gumelar & Khairina (2021), Paul et al. (2019) that the Central to Regional Transfer Fund significantly reduces the poverty rate.

As the results of research conducted by Badrudin & Kuncorojati (2017), Jalil (2020), Kadafi & Murtala (2020), Paul et al. (2019) and Wijaya et al. (2018), where the Balancing Fund had a significant effect in reducing poverty in the regions. Muhammad Abrar et al (2020) The Balancing Fund was able to show a more significant effect on poverty alleviation. This proves that local governments in the use of Balancing Funds have been implemented according to their designation, one of which is reducing the poverty rate.

Effects of the Special Autonomy Fund on Poverty

According to the study's findings, Papua province Districts/Cities can experience a notable decrease in poverty with the use of the Special Autonomy Fund. Data on special autonomy fund received by Papua province's Districts/Cities between 2012 and 2022 show an average growth of 19.61%. This indicates that Papua Province's poverty rate decreases in proportion to the amount of special autonomy fund the central government provides. This is in line with research conducted by Awom (2021), Fardan (2019) and Muliadi & Amri (2019) Special Autonomy Fund is negatively related to poverty in all districts/cities in Papua province. In accordance with the mandate of the Special Autonomy Law No. 21 of 2001 that one of the objectives of the special autonomy fund is for the welfare of the Papuan people, in this study, it can be proven that the special autonomy fund can reduce poverty levels in districts/cities of Papua province.

CONCLUSION AND RECOMMENDATIONS

The study's conclusions include the important role that the special autonomy fund and balancing fund play in reducing poverty. This demonstrates that the distribution of Balancing Funds to the province of Papua has a favourable effect, as the province can effectively manage its balance fund and special autonomy fund, leading to a decrease in poverty. The study's findings indicate that regional original income does not significantly reduce poverty in the province of Papua, but it does highlight the underutilization of the province's natural resources by the district and city governments, which could lead to a rise in local original revenue. Therefore, the province of Papua's efforts to reduce poverty in its Districts/Cities still rely on central funds transfers to the local areas.

The results of this study provide several recommendations that can be carried out by the District/City government in Papua province in policy making so that poverty alleviation in Papua province can be realized according to the mandate of the special autonomy law. First, in the management of central to regional transfer funds, namely the balancing fund and special autonomy funds disbursed by the central government to the Papua provincial government, it is maximized and utilized as well as possible according to its purpose and designation as mandated in the law so that what is the nation's aspiration in alleviating poverty can be carried out as expected. Second, Papua province is an area that has abundant wealth or natural resources, it is hoped that the district/city government in Papua province can explore and utilize the potential of existing natural resources to increase local original income so that in the future Papua province does not depend on Balancing Funds in alleviating poverty so that Papua province can be independent in financing the needs in running the wheels of government that has an impact on the community, especially in poverty alleviation and in the end Papua province can be on par with other provinces in Indonesia.

FURTHER STUDY

This research has not yet combined qualitative data, therefore, for perfection of this research, it is necessary to combine quantitative and qualitative data by paying attention to the existing culture in Papua province.

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