

## Pro Poor Budgeting: Analysis of Budget Policies by the Social Affairs Office of Bojonegoro Regency for Poverty Reduction

### Pro Poor Budgeting: Analisis Kebijakan Anggaran Dinas Sosial Kabupaten Bojonegoro Untuk Warga Miskin

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#### Abstract

Poverty remains a major development issue in Bojonegoro Regency. According to data from the Central Statistics Agency (BPS), the poverty rate in Bojonegoro reached 12.21% in 2022. This figure is still far from the poverty reduction target set in the Bojonegoro Regency Regional Medium-Term Development Plan (RPJMD), which aims for 11.55%. Additionally, Bojonegoro's poverty rate remains in the red zone, exceeding both the national poverty average of 9.54% and the provincial average of East Java (10.38%). This study adopts Fredolin Berek et al.'s (2006) Pro Poor Budgeting model, which outlines three criteria for pro-poor budgets: (1) budgets that emphasize development policies favoring the poor; (2) budget practices and policies intentionally designed to create programs and projects aimed at the interests of the poor; and (3) budget policies that improve welfare and fulfill the basic rights of the poor. The findings reveal that the Bojonegoro Regency Government demonstrates a commitment to poverty alleviation, as reflected in its development planning documents with annual poverty reduction targets. However, these targets have not been achieved. The government lacks consistency in managing its Regional Budget (APBD), with salary expenditures surpassing allocations for poverty reduction priorities. The government's primary focus remains on infrastructure development. Budget allocations directly addressing poverty reduction through accelerated household economic improvement and essential needs provision for poor households remain insufficient.

**Keywords:** Pro Poor Budgeting, Budget Policy, Poverty

#### Abstrak

Kemiskinan hingga saat ini masih jadi masalah utama pembangunan di Kabupaten Bojonegoro. Bersumber Badan Pusat Statistik (BPS), jumlah penduduk miskin Bojonegoro pada tahun 2022 12,21 persen. Angka ini masih jauh dari target penurunan kemiskinan yang ditetapkan dalam Rencana Pembangunan Jangka Menengah Daerah (RPJMD) Kabupaten Bojonegoro, sebesar 11,55 persen. Selain itu, kemiskinan Bojonegoro masih kelompok zona merah dikarenakan jumlah kemiskinannya masih di atas rata-rata kemiskinan nasional yakni sebesar 9,54 persen dan Provinsi Jawa Timur

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(Jatim) sebesar 10,38 persen. Penelitian menggunakan teori Pro poor Budgeting model Fredolin Berek dkk. (2006) yang memberi tiga kriteria anggaran pro poor: Pertama, suatu anggaran yang mengarah pada pentingnya kebijakan pembangunan yang berpihak pada orang miskin. Kedua, praktik penyusunan dan kebijakan di bidang anggaran yang sengaja (by designed) ditujukan untuk membuat kebijakan, program dan proyek yang berpihak pada kepentingan masyarakat miskin. Ketiga, kebijakan anggaran yang dampaknya dapat meningkatkan kesejahteraan, termasuk juga terpenuhinya kebutuhan hak-hak dasar masyarakat miskin. Hasil penelitian menunjukkan, Pemerintah Kabupaten Bojonegoro sudah memiliki komitmen dalam pengentasan kemiskinan yang tertuang dalam dokumen perencanaan pembangunan memiliki target penurunan angka kemiskinan tahunan, namun target tersebut tidak tercapai, Pemerintah Kabupaten Bojonegoro kurang konsisten dalam membuat kebijakan pengelolaan APBD, belanja Gaji masih lebih tinggi dibandingkan belanja prioritas pengurangan kemiskinan, fokus utama pemerintah juga masih pembangunan infrastruktur. Anggaran APBD yang berdampak langsung pada pengurangan angka kemiskinan dengan mengakselerasi ekonomi Rumah Tangga Miskin, dan alokasi anggaran untuk mengurangi belanja orang miskin, khususnya dalam pemenuhan kebutuhan dasar Rumah tangga miskin yang masih sangat kecil.

**Kata kunci:** Pro Poor Budgeting, Kebijakan Anggaran, Kemiskinan.

## **Introduction**

Since the implementation of Regional Autonomy 25 years ago, coupled with the ongoing impacts of economic and monetary crises, improvements in community welfare have progressed very slowly. This stagnation is marked by persistently high poverty rates, significant unemployment pressures, low real per capita income, high school dropout rates, malnutrition cases, increasing numbers of street children and beggars, and other social problems. One major factor contributing to these issues is the lack of government support for marginalized communities, especially the poor.

In Bojonegoro Regency, poverty continues to be a critical development challenge. Based on data from the Central Statistics Agency (BPS), the poverty rate in Bojonegoro reached 12.21% in 2022, far exceeding the RPJMD target of 11.55%. Furthermore, Bojonegoro remains in the red zone, with a poverty rate higher than both the national average (9.54%) and the East Java provincial average (10.38%). This relatively high poverty rate raises questions among various groups, particularly considering Bojonegoro's substantial Regional Budget (APBD) in recent years. In fact, in 2024, Bojonegoro ranked second among regencies with the highest APBD in Indonesia, following Bogor Regency in first place.

The high Regional Budget (APBD) of Bojonegoro Regency is attributed to its abundant natural resources, encompassing both renewable and non-renewable resources. In terms of renewable resources, approximately 40% of Bojonegoro's territory consists of forested areas, comprising around 49,000 hectares of production forests and approximately 1,000 hectares of protected forests. The main commodity from these production forests is high-quality teak wood, alongside other types of timber such as mahogany.

Regarding non-renewable resources, Bojonegoro is one of Indonesia's largest producers of oil and gas. Approximately one-quarter of the country's domestic oil production originates from Bojonegoro's oil and gas fields. Currently, four oil and gas fields are in production: the Banyu Urip and Kedung Keris (KDK) fields in the Cepu Block; the Sukowati field in the Tuban Block; the Jambaran-Tiung Biru (JTB) gas unitization field; and the traditional oil wells in Wonocolo-Kedewan.

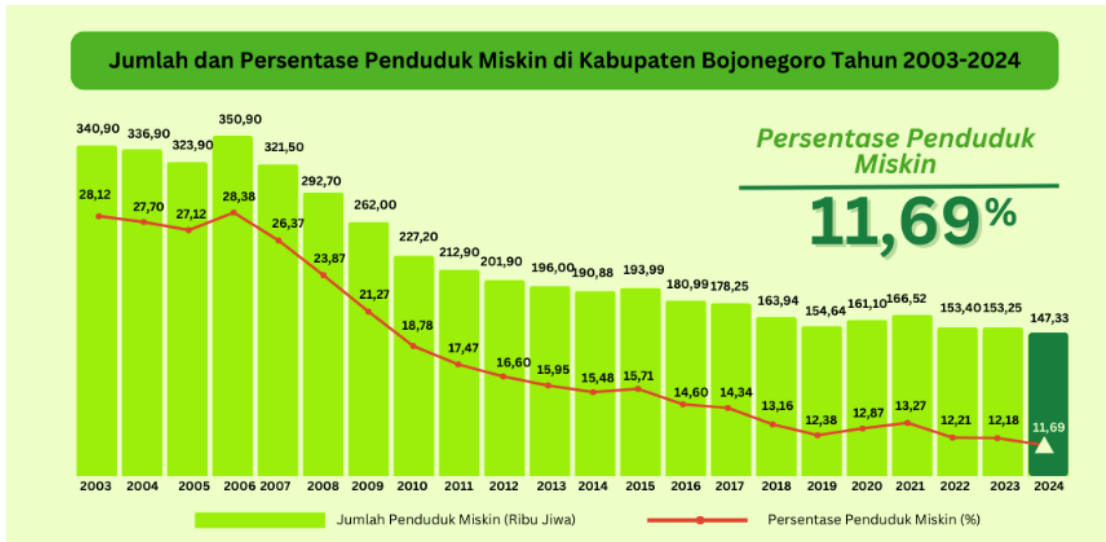
The management of these oil and gas resources provides Bojonegoro with substantial revenue through the Oil and Gas Revenue Sharing Fund (Dana Bagi Hasil/DBH). This revenue has been increasing significantly, particularly as the Banyu Urip field in the Cepu Block entered its peak production phase in 2018, which continues to the present day. According to data from the Directorate General of Fiscal Balance (DJPK) of the Ministry of Finance, Bojonegoro received approximately IDR 2.13 trillion in DBH revenue in 2021. This figure rose to around IDR 2.6 trillion in 2022, and in 2023, DBH revenue amounted to IDR 2.28 trillion. For 2024, the projected DBH revenue is expected to reach IDR 2.53 trillion.

The significant DBH revenue has substantially enhanced Bojonegoro's financial capacity. In 2022, Bojonegoro's Regional Budget (APBD), after revisions, reached IDR 7.03 trillion, making it the second-highest among regencies in Indonesia, just below Bogor Regency. This trend continued in subsequent fiscal years, with Bojonegoro's APBD rising to IDR 7.9 trillion in 2023 and projected to reach IDR 8.23 trillion in 2024.

The substantial potential of Bojonegoro Regency's oil and gas natural resources and its significant regional revenue (APBD) have not yet translated into a meaningful reduction in poverty rates or improvements in the quality of life for its residents. According to data from the Central Statistics Agency (BPS) in 2024, although poverty

rates in Bojonegoro Regency have shown a declining trend, they remain at 11.69%, ranking the 11th highest among 38 regencies/municipalities in East Java. The total number of impoverished residents is 147,330, with an increasing poverty depth index of 1.99 and a poverty severity index of 0.48, as reported by BPS in March 2024.

**Table 1. Poverty Statistics of Bojonegoro Regency, 2024**



Source: Kabupaten Bojonegoro Dalam Angka 2024, Central Bureau of Statistics, Kabupaten Bojonegoro, 2024

The phenomenon of poverty in resource-rich regions, particularly those abundant in oil and gas resources, is not a new issue. Numerous studies have documented various social challenges—such as poverty, inequality, corruption, and social conflict—in regions with significant oil and gas reserves. Conversely, several regions with limited or no oil and gas resources exhibit higher economic growth and better societal welfare. This phenomenon is often referred to as the "resource curse."

Terry Lynn (2017) argued that the resource curse cannot be attributed to oil itself, as oil is merely a thick, black substance. Instead, it is the management practices surrounding oil exploitation that drive this phenomenon. According to Lynn, the "resource curse" is primarily a political or institutional phenomenon rather than an economic one. This political/institutional issue reflects the fact that policymakers are often slow (or unwilling) to understand and address the challenges associated with resource exploitation.

The persistently high poverty rates in Bojonegoro Regency highlight the government's failure to meet the basic needs of its people. The paradox between the region's rich natural resources—especially oil and gas—and the prevalence of poverty, alongside the significant number of impoverished residents, poverty depth, and severity indices, raises critical questions. Why does a resource-rich region with considerable fiscal capacity still struggle with high poverty rates? How have policymakers and stakeholders in the region addressed poverty-related issues? How are revenue-sharing funds from oil and gas, as well as other natural resources contributing to the regional budget, managed?

The budget should serve as a state instrument to address public issues, particularly poverty. Indonesia's constitution mandates the state to protect the poor, as stated in Article 34, Paragraph 1 of the 1945 Constitution. Based on this premise, this study focuses on analyzing poverty alleviation policies in budget management. The researcher has deliberately chosen to concentrate on the budget allocation for the Health Department, as it serves as the leading sector or frontline agency in addressing poverty alleviation at the regional level.

## **Research Methods**

This study employs a qualitative interpretive approach. Qualitative research relies on non-numeric data in the form of words, encompassing various textual analyses such as content analysis, conversation analysis, discourse analysis, and narrative analysis (Jackson et al., 2007). The purpose and function of qualitative research are to understand the meaning of human actions by describing the inherent or essential characteristics of social objects or human experiences (Denzin & Lincoln, 2000; Denzin et al., 2006).

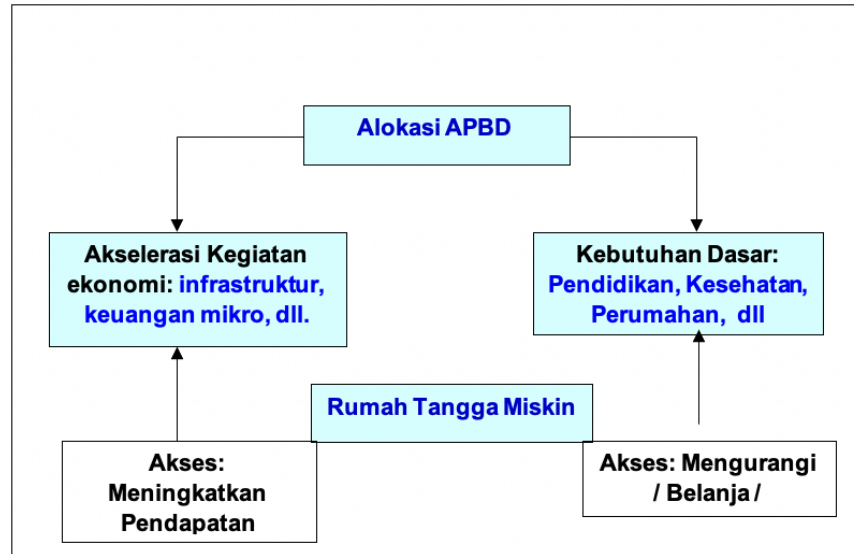
To elucidate an ideal response to the budget policies aimed at benefiting impoverished populations, this study adopts a qualitative approach and applies the pro-poor budgeting analysis developed by Fredolin Berek et al. (2006). This framework involves three criteria for pro-poor budgeting: (1) A budget that prioritizes development policies aimed at the poor; (2) Budget planning and policy practices intentionally (by design) focused on creating policies, programs, and projects that serve the interests of

impoverished communities.; (3) Budget policies that directly impact welfare improvement, including the fulfillment of basic rights for poor populations.

The conceptual framework of this research addresses two main issues: (1) Poverty remains a major challenge in Bojonegoro Regency. Based on the researcher's initial findings, the relatively high poverty rate raises questions from various stakeholders, especially considering that Bojonegoro's regional budget (APBD) has been relatively high in recent years. In fact, in 2024, Bojonegoro ranked as the second-highest regency in Indonesia in terms of APBD, following Bogor Regency; (2) The Social Affairs Department of Bojonegoro Regency, as the primary leading sector for addressing poverty, faces scrutiny regarding its commitment to allocating budgets for poverty alleviation, particularly given the minimal annual reduction in poverty rates.

The issues above highlight that the budget, which serves as a governmental instrument to facilitate governance, has yet to effectively mediate and address the diverse needs and interests of the community, particularly in allocating resources toward impoverished populations (pro-poor budget).

The objective of the pro-poor budgeting analysis is to evaluate the commitment of the Social Affairs Department of Bojonegoro Regency in formulating budget policies that favor the poor through the three criteria of pro-poor budgeting: (1) A budget aligned with development policies that prioritize the poor; (2) Intentionally designed budget planning and policies to create programs and projects targeting the interests of impoverished communities; (3) Budget policies that yield welfare improvements, including the fulfillment of basic rights for impoverished populations. The conceptual framework for this study is illustrated in the figure below:



**Figure 1. Conceptual Framework of Pro-Poor Budgeting Research**

Sumber: Created by the author

## Results And Discussion

### Regional Regulation on Poverty Alleviation in Bojonegoro Regency

The poverty alleviation policy in Bojonegoro Regency is governed by Regional Regulation (Perda) No. 6 of 2015 on Poverty Alleviation. This regulation provides a comprehensive framework for poverty alleviation in the region, covering aspects such as poverty data collection and management, strategies for poverty reduction, funding mechanisms, and the involvement of various stakeholder groups.

Perda No. 6/2015 emphasizes poverty alleviation programs designed to fulfill the basic rights of impoverished communities. These rights include access to adequate food, clothing, and housing, as well as healthcare services that ensure a basic standard of living. Additionally, the regulation underlines the importance of education that enhances the dignity of impoverished residents and provides opportunities for self-development and family empowerment in alignment with local cultural values. Social protection measures, including social security, empowerment, and rehabilitation, are also prioritized to support sustainable welfare improvements. Furthermore, the regulation highlights the right to a healthy environment, sustainable welfare conditions, and access to employment opportunities and entrepreneurial prospects.

The regulation also outlines key strategies for poverty alleviation in Bojonegoro Regency. These strategies focus on reducing the financial burden of impoverished

residents, improving their skills and income, and fostering the development and sustainability of micro and small enterprises. To ensure effective implementation, the regulation mandates the synchronization of poverty alleviation policies and programs, which must be detailed in the Strategic Plans (Renstra) of Regional Government Agencies (Organisasi Perangkat Daerah, OPD).

### **Poverty Alleviation Policy in Regional Planning**

The regional development planning in Bojonegoro Regency demonstrates a strong commitment to poverty alleviation, as reflected in key planning policies such as the Regional Long-Term Development Plan (RPJPD), the Regional Medium-Term Development Plan (RPJMD), and the Regional Government Work Plan (RKPD). These documents serve as the foundation for formulating strategies aimed at improving the welfare of impoverished communities and achieving sustainable development goals.

The long-term vision of Bojonegoro's development is to become a leading agribusiness center with global competitiveness and sustainability, contributing to the prosperity and ethical growth of East Java. This vision is supported by a series of missions that prioritize community welfare, economic development, and environmental sustainability. The government seeks to enhance community welfare by emphasizing faith and piety as the foundation for social progress. Additionally, the development of a competitive human resource base is a priority, ensuring the region's ability to adapt to economic and technological advancements.

Economic growth is targeted through the strengthening of industries based on oil, gas, and integrated agribusiness, with the goal of fostering a robust and diversified local economy. The government also envisions Bojonegoro as a hub for health and education services, serving not only its residents but also neighboring regions. Infrastructure development is another key focus, aimed at meeting basic needs and supporting regional economic activities.

Environmental sustainability is emphasized to ensure that natural resources remain available for future development. This includes implementing strategies that balance economic growth with ecological preservation. Finally, the government seeks to establish a governance system that is professional, accountable, and democratic,



ensuring transparency and inclusivity in policy implementation. In alignment with these objectives, the RPJPD document sets specific poverty reduction targets for Bojonegoro Regency. These targets, spanning the 2005–2025 period, highlight the government’s commitment to systematically reducing poverty and improving the overall quality of life for its residents. Details of these targets are outlined in Table 2, as part of the RPJP framework for regional development.

**Table 2. Poverty Reduction Targets in the RPJP of Bojonegoro Regency 2005-2025**

<b>Year Period</b>	<b>Poverty Reduction Target</b>
2005 - 2010	18,78%
2010 - 2015	10,30%
2015 - 2020	9,10%
2020 - 2025	8,25%

Source: Bojonegoro RPJP Document, 2013-2025

The Regional Long-Term Development Plan (RPJPD) of Bojonegoro Regency for 2005–2025 identifies poverty and unemployment, along with improvements in education and public health, as key strategic regional issues. This underscores poverty as a primary focus of Bojonegoro’s long-term development priorities over the next 20 years. The RPJPD explicitly emphasizes addressing poverty as a critical step towards creating a prosperous society. As highlighted by Ms. Wiwik from the Regional Development Planning Agency (Bappeda), the government adopts a developmental approach rooted in key principles:

*"The local government directs the implementation of economic development to adhere to pro-poor (economic growth that favors the poor), pro-job, pro-growth, and pro-environment principles. Development efforts will focus on reducing poverty by enhancing community empowerment to meet their basic needs and ensuring access to fundamental services that are the right of every citizen."*

A review of the RPJPD document further reveals that poverty has consistently been a central focus of the long-term development plan. This conclusion is supported by responses to several key questions, as outlined in Table 3, which provides insights into the strategic approach taken by the Bojonegoro Regency government.

**Table 3 Instruments and Indicators for Assessment of RPJPD Document of Bojonegoro Regency 2013-2025**

No.	Questions	Answer		Description
		Yes	No	
01.	Is poverty a part of the priority issues of the region?	√		Stated in the regional strategic issues section (No. 6)
02.	Is there a review of the poverty profile of the region?	√		There is a brief review.
02.	Is the issue of poverty alleviation emphasized in the objectives of the RPJPD?	√		Stated explicitly in the target and direction of development policy section.
03	Are there poverty alleviation programs included in each stage of the RPJP?	√		There is, but very general
04	Are poverty reduction targets mentioned at each stage?	√		Stated every year (5 years).

Source: analysis of RPJP document of Bojonegoro Regency 2005-2025 (data processed by the author)

As outlined in the Regional Long-Term Development Plan (RPJP), the Bojonegoro Regency Government, through the Regional Medium-Term Development Plan (RPJM) for 2019–2023 and the Interim RPJM for 2023–2025, has reaffirmed its commitment to poverty alleviation in the region. This commitment is further detailed in Table 4. which provides relevant data supporting these efforts.

**Table 4 Instruments and Indicators for Assessment of RPJMD Documents of Bojonegoro Regency for 2019-2023 and 2023-2025**

No.	Questions	Answer		Description
		Yes	No	
01.	Is there a review of the regional poverty profile?	√		There is, but very brief.
02.	Is poverty a priority issue for the region?	√		Stated in regional strategic issues.
01.	Does the Vision of the RPJMD emphasize the realization of the welfare of the entire community?	√		Contained in the meaning of the word, "Prosperous"
02.	Does the Mission of the RPJMD emphasize the eradication of poverty?	√		Stated in the 4th mission and implicitly in the 5th mission.
03	Does the basic development strategy in the RPJMD emphasize the principle of equalizing community welfare?	√		Implicitly stated

- 04 Does the direction of development policy in the RPJMD emphasize the realization of social welfare? ✓
- 05 Is the target achievement of poverty reduction mentioned at each stage? ✓
- 06 Does the development program in the RPJMD mention several programs that target poor community groups? ✓

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Source: analysis of RPJM document of Bojonegoro Regency 2019-2023 and 2023-2025 (data processed by the author)

As for the poverty alleviation targets for each year of the development period, as stipulated in the 2019-2023 Bojonegoro Regency RPJMD document, it is presented in table 5, both before and after the changes, as follows:

**Table 5 Poverty Alleviation Targets According to the RPJMD of Bojonegoro Regency for 2019-2023**

<b>Tahun</b>	<b>Target RPJMD Awal</b>	<b>Target RPJMD Perubahan</b>	<b>Realisasi Capaian</b>
2019	13,50% - 13,15%	-	12,38%
2020	13,15% - 12,70%	-	12,87%
2021	12,70% - 12,30%	12,50% - 11,95%	13,27%
2022	12,30% - 11,95%	11,95% - 11,55%	12,21%
2023	11,95% - 11,88%	11,55% - 11,00%	-

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Source: RPJM Bojonegoro 2019-2023, before and after changes

### **APBD of Bojonegoro Regency**

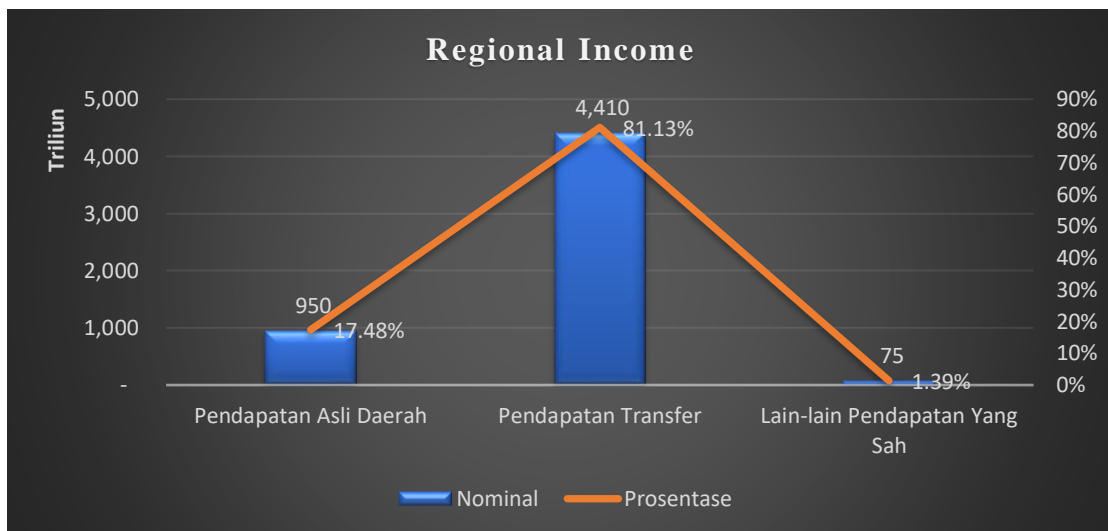
The regional budget serves as a financial plan that forms the foundation for the implementation of public services. In Indonesia, the document outlining the regional budget is called the Regional Revenue and Expenditure Budget (Anggaran Pendapatan Belanja Daerah or APBD), which is prepared one year prior to the execution of the programs listed within it. According to Article 1, Paragraph (8) of Law Number 17 of 2003 on State Finance, the APBD is an annual financial plan for the regional government approved by the Regional House of Representatives (Dewan Perwakilan Rakyat Daerah or DPRD). The APBD is a systematic list comprising the annual

financial plans of the regional government, detailing the region's revenue and expenditure approved by the DPRD for a one-year period.

The APBD document includes three main components: Regional Revenue, Regional Expenditure, and Regional Financing. Regional Revenue is divided into three categories. The first category is own-source revenue, which originates from taxes or retributions. The second category is transfer revenue, derived from the central government and inter-regional transfers. The third category comprises other legitimate revenues in accordance with statutory regulations. In addition to revenue, the APBD includes Regional Expenditure, which consists of operational expenditure, capital expenditure, unexpected expenditure, and transfer expenditure. Furthermore, it includes Regional Financing, such as the surplus of previous years' revenue (Sisa Lebih Perhitungan Anggaran or SILPA).

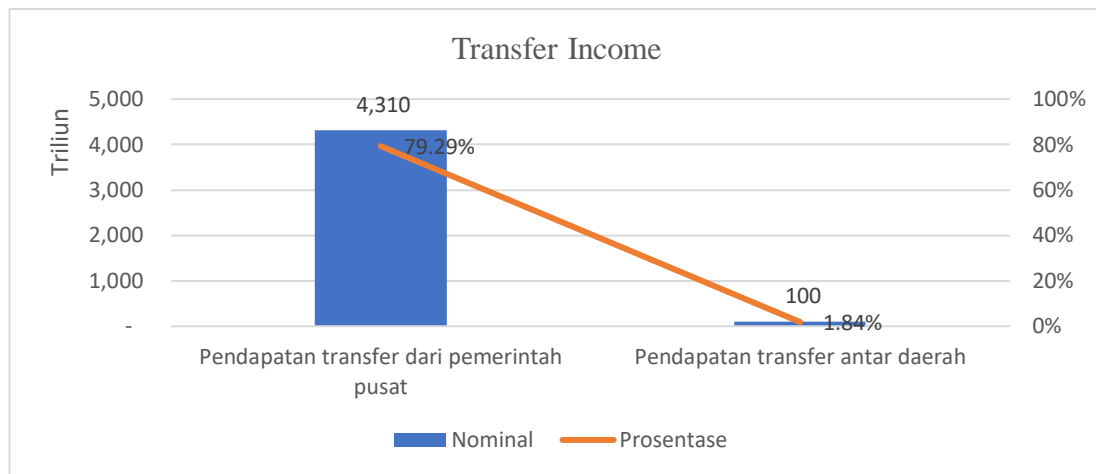
### Revenue of Bojonegoro Regency

The regional revenue of Bojonegoro Regency for the 2024 fiscal year, as outlined in the APBD, amounts to IDR 5.4 trillion. This revenue is sourced from three main components: own-source revenue, transfer revenue, and other legitimate revenues. The breakdown of these components is illustrated in the figure 2 below:



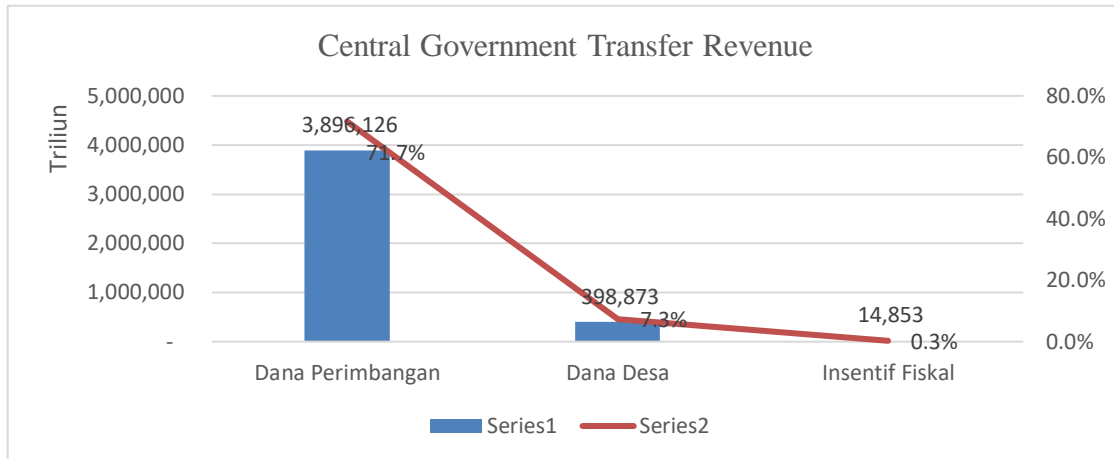
**Figure 2. Bojonegoro Regency Income**  
 Source: 2024 APBD (data processed by the author)

As depicted in the graph above, the highest source of regional revenue for Bojonegoro Regency is derived from transfer revenues from the central government, amounting to IDR 4.41 trillion, which constitutes 81.13% of the total regional revenue. In contrast, revenue from other sources is significantly smaller. Own-source revenue (Pendapatan Asli Daerah) contributes IDR 950 billion, accounting for only 17.48% of the total revenue. The third category, Other Legitimate Revenues (Lain-lain Pendapatan yang Sah), represents the smallest contribution at IDR 75 billion or just 1.39% of the total regional revenue. The substantial share of regional revenue from transfer funds provided by the central government and inter-regional transfers is illustrated in the Figure 3 below:



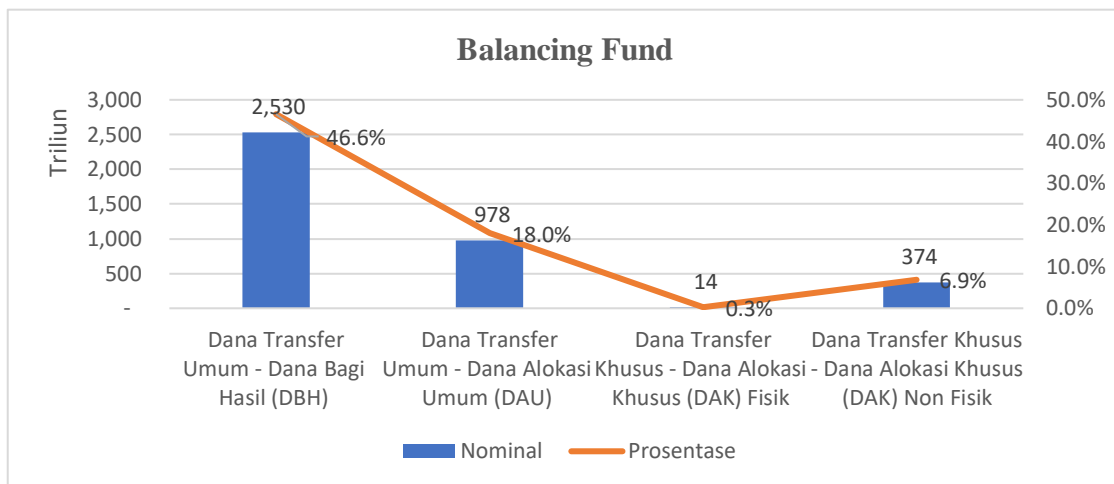
**Figure 3. Transfer Income of Bojonegoro Regency**  
 Source: 2024 APBD (data processed by the author)

As illustrated in the graph above, transfer revenue constitutes the largest source of regional income, with the majority originating from the central government. This amounts to IDR 4.3 trillion, representing 79.29% of the total regional revenue. In comparison, transfer revenue from inter-regional sources is significantly smaller, totaling only IDR 100 billion or 1.84% of the total. The detailed breakdown of revenue from the central government includes balanced funds, village funds, and fiscal incentives. Specifically, IDR 3.6 trillion is derived from balanced funds, IDR 398 billion from village funds, and IDR 14 billion from fiscal incentives, as shown in Figure 4 below:



**Figure 4. Transfer Income of Bojonegoro Regency**  
 Source: 2024 APBD (data processed by the author)

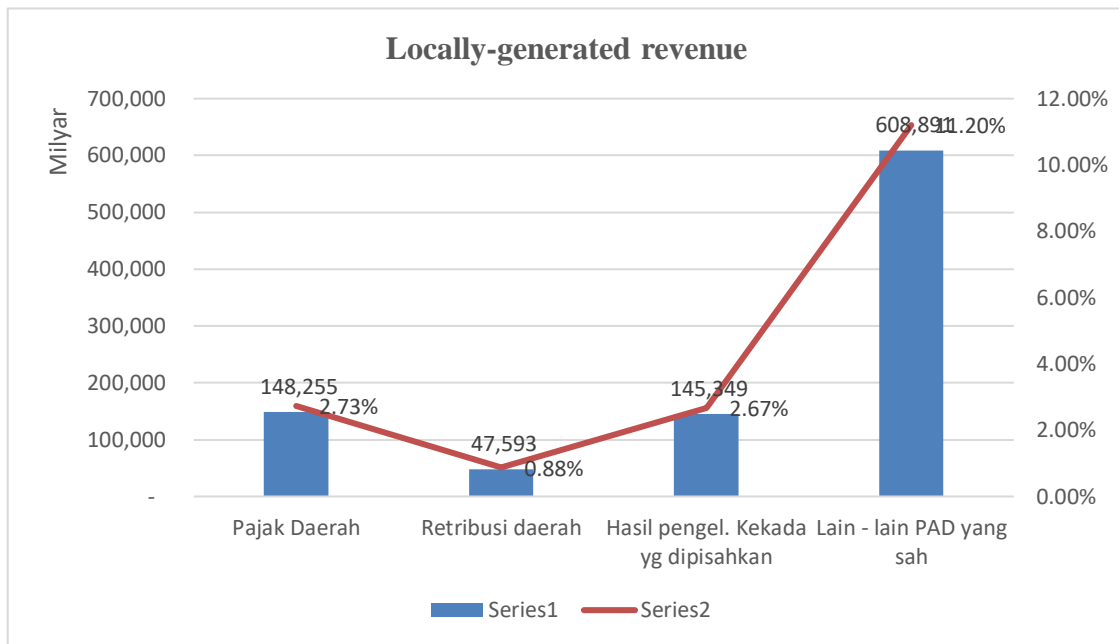
The balanced funds transferred from the central government to the Bojonegoro Regency Government consist of several sources. These include revenue-sharing funds (Dana Bagi Hasil or DBH) from oil and gas (Migas) and non-oil and gas (non-Migas) sectors, as well as the General Allocation Fund (Dana Alokasi Umum or DAU) and the Specific Allocation Fund (Dana Alokasi Khusus or DAK). The DAK is further divided into physical and non-physical allocations, as detailed in Figure 5 below.



**Figure 5. Balancing Fund of Bojonegoro Regency**  
 Source: 2024 APBD (data processed by the author)

In addition to transfer revenues, which constitute the largest share of income, Bojonegoro Regency has generated significant revenue through its locally generated revenue (PAD), amounting to IDR 950 billion. This revenue is derived from various

sources, including regional taxes (IDR 148 billion), regional retributions (IDR 47 billion), and income from region-owned enterprises or the management of separated regional assets (IDR 145 billion). The largest portion of Bojonegoro Regency's PAD, however, comes from "Other Legitimate Regional Income," which amounts to IDR 608 billion or 11.20% of the total locally generated revenue. These details are illustrated in Figure 6, which presents the breakdown of PAD in Bojonegoro Regency.

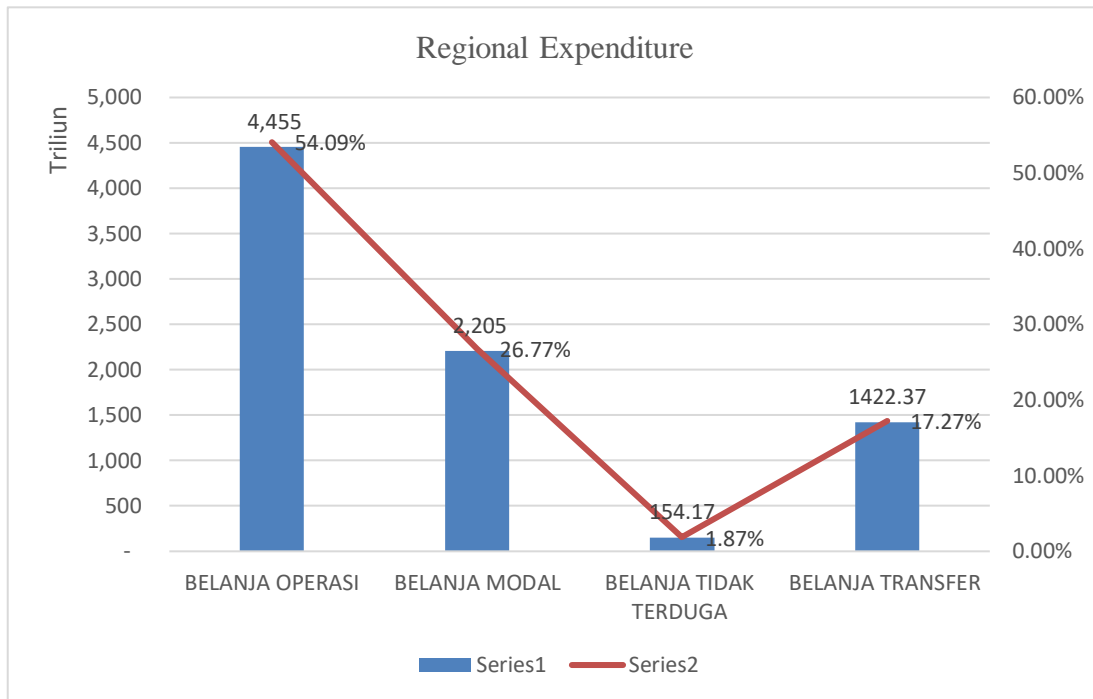


**Figure 6. Locally-generated revenue of Bojonegoro Regency**  
Source: 2024 APBD (data processed by the author)

The Regional Own-Source Revenue (Pendapatan Asli Daerah) of Bojonegoro Regency, amounting to Rp. 608 billion, is derived from various sources, including the sale of unseparated Regional-Owned Assets (BMD), utilization of unseparated BMD, giro services, interest income, compensation for regional financial losses, fines for project implementation delays, and repayment income. Notably, 54% of the revenue from Regional Public Service Agencies (BLUD) in Bojonegoro Regency, equivalent to Rp. 508 billion, originates from three government-managed hospitals.

### Expenditure of Bojonegoro Regency

The 2024 Regional Budget (APBD) of Bojonegoro Regency is allocated at Rp. 8.2 trillion. This budget is distributed across operational expenditures, capital expenditures, unexpected expenditures, and transfer expenditures, as illustrated in Figure 7 below.



**Figure 7. Regional Expenditure of Bojonegoro Regency**  
 Source: 2024 APBD (data processed by the author)

Based on the graph above, operational expenditures represent the largest portion of Bojonegoro Regency's total regional budget, amounting to Rp. 4.4 trillion or 54.09% of the total regional expenditure. These expenditures are allocated to personnel costs, which amount to Rp. 1.85 trillion or 22.46% of the budget, followed by goods and services expenditures at Rp. 1.677 trillion or 20.36%, and grant expenditures at Rp. 803 billion. In contrast, the remaining categories account for relatively small portions of the budget, with social assistance expenditures amounting to Rp. 122 billion or 1.49%, and subsidy expenditures allocated only Rp. 2 billion, representing a mere 0.02%. These allocations, as shown in Table 6, emphasize the prioritization of operational expenditures to support regional administrative and service delivery activities.

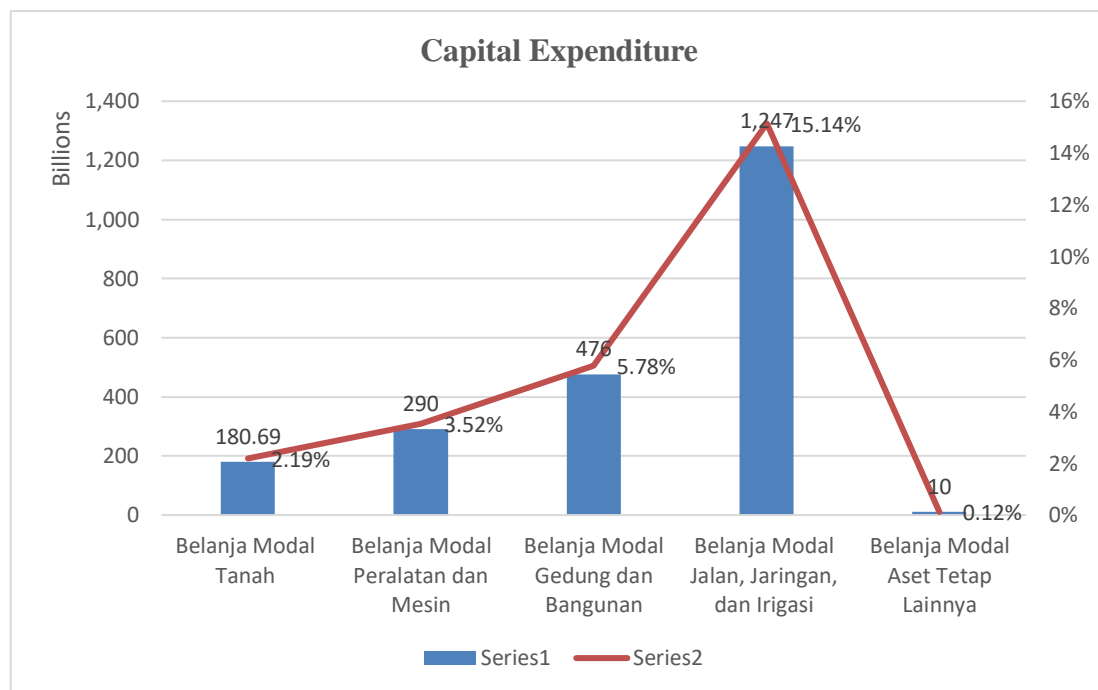


**Table 6. Bojonegoro Regional Budget Operational Expenditure**

Operational Expenditure	<b>4.454.681.492.069</b>	<b>54,09%</b>
Employee Expenditure	1.849.477.129.751	22,46%
Goods and Services Expenditure	1.677.180.087.564	20,36%
Subsidy Expenditure	2.000.000.000	0,02%
Grant Expenditure	803.208.620.654	9,75%
Social Assistance Expenditure	122.815.654.100	1,49%

Source: 2024 APBD (data processed by the author)

In addition to the policy on operating expenditure allocation, the Bojonegoro Regency allocated capital expenditure amounting to IDR 2.204 trillion. The largest portion of this capital expenditure was allocated to land acquisition, amounting to IDR 1.247 trillion, which accounted for 15.14% of the total capital expenditure of Bojonegoro Regency. The second-largest allocation was for buildings and structures, amounting to IDR 476 billion or 5.78% of the operating expenditure. The remaining funds were allocated to capital expenditures for equipment and machinery, roads, networks, irrigation, and other fixed assets, as shown in Figure 8 below.



**Figure 8. Capital Expenditure of Bojonegoro Regency**  
Source: 2024 APBD (data processed by the author)

In addition to operating and capital expenditures, the budget also includes unexpected expenditures and transfer expenditures. The unexpected expenditures amount to IDR 154 billion, while transfer expenditures total IDR 1.4 trillion, allocated for revenue-sharing transfers to villages and financial aid expenditures. The Bojonegoro Regency APBD policy projects a deficit of IDR 2.799 trillion. To address this deficit, Bojonegoro Regency utilizes the surplus from the previous year's budget calculation, which consistently reaches a significant amount, totaling IDR 3.334 trillion.

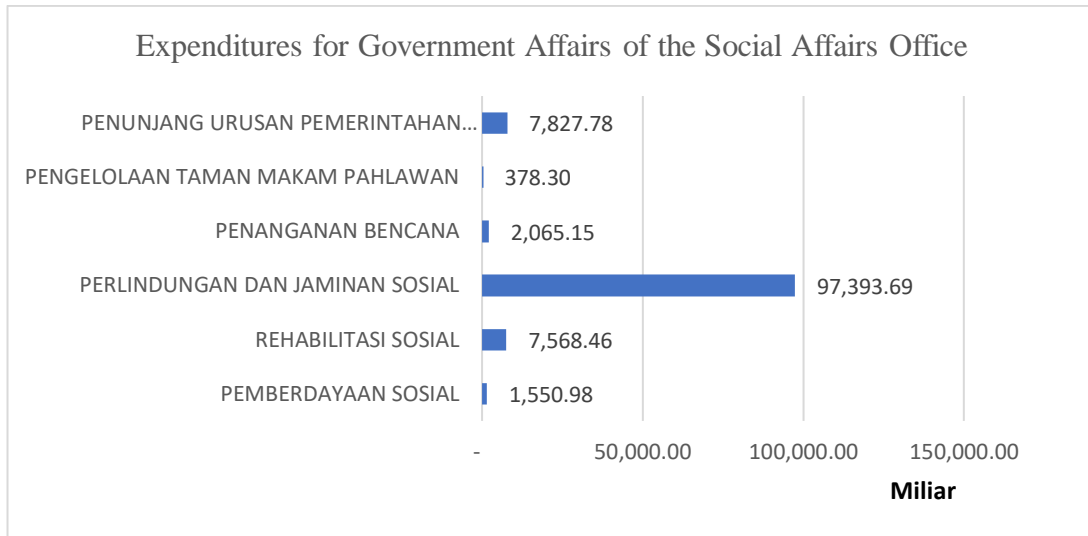
### **Policy Programs and Expenditures of the Social Affairs Office**

The Social Affairs Office of Bojonegoro Regency has identified key developmental challenges within the implementation of local governance, particularly in addressing social issues. These challenges are focused on three main aspects of poverty alleviation: (a) Data Accuracy: A lack of precise data regarding Social Welfare Problems (PMKS) and poverty levels; (b) Accessibility and Infrastructure: Limited accessibility, facilities, and infrastructure for handling PMKS (PPKS) and fostering community participation in social welfare programs (PSKS); (c) Policy Implementation: The operational use of a comprehensive database on impoverished families as a basis for program interventions has not been fully realized.

In 2024, the budget for the Social Affairs Office's governmental functions has been allocated across several key programs, each with its own specific budget. The total budget allocation for this sector amounts to IDR 116,784,355,040. According to the Head of the Social Empowerment and Poverty Alleviation Division of the Social Affairs Office, Achmad Syoleh Fatoni:

"This allocation encompasses various programs designed to have a significant impact on the social welfare of the community, particularly for impoverished and vulnerable groups."

As the leading sector in poverty alleviation, the Social Affairs Office has outlined various programs and activities aimed at addressing poverty (Figure 9), as documented in the 2024 Bojonegoro Regency Regional Revenue and Expenditure Budget (APBD).



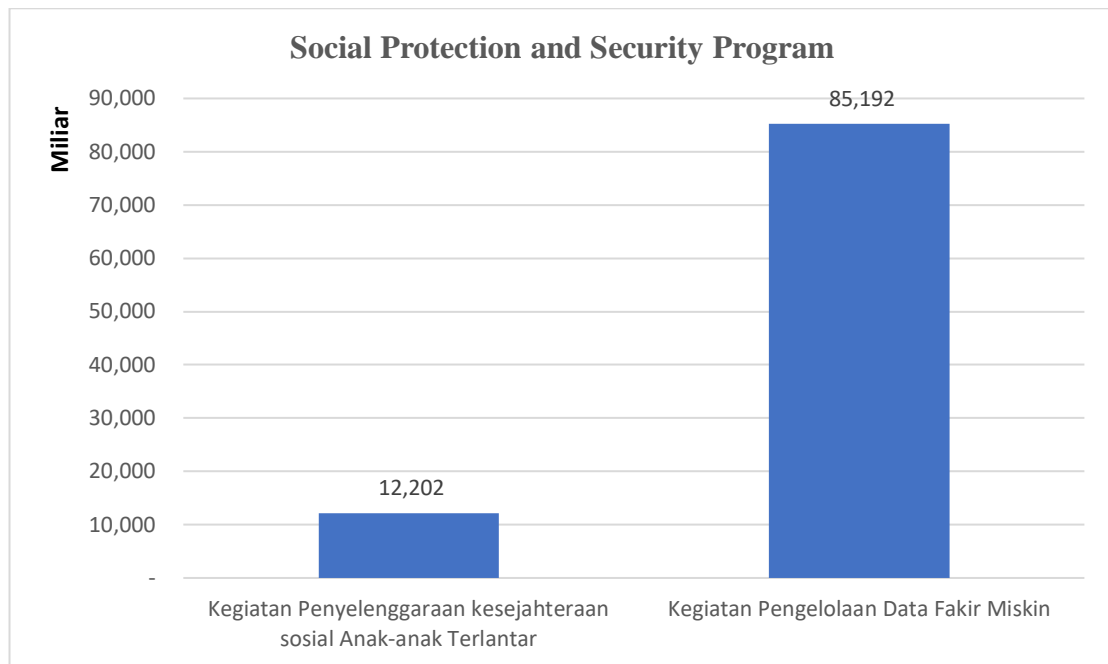
**Figure 9. Expenditures for Government Affairs of the Social Affairs Office of Bojonegoro Regency**

Source: 2024 APBD (data processed by the author)

The Social Protection and Social Security Program receives the largest budget allocation, amounting to IDR 97,393,686,355 or 83.40% of the total budget of the Social Affairs Office. This program aims to provide social protection to the most vulnerable groups, including the elderly, children, persons with disabilities, and impoverished families. The primary focus of this program is to ensure that individuals facing the most severe social and economic challenges receive the necessary assistance to meet their basic needs and enhance their quality of life.

The program's budget is allocated to two main activities: the first is the implementation of social welfare services for abandoned children, with a budget of IDR 12,202,168,000 or 10.45% of the total program budget. This activity includes sub-activities such as outreach for abandoned children, allocated IDR 12,055,450,000 (10.32%), and monitoring the maintenance of abandoned children, allocated IDR 146,718,000 (0.13%). The second main activity is the management of poverty data, which receives the largest allocation of IDR 85,191,518,355 or 72.95%. This activity finances sub-activities such as data collection on poverty in regencies/cities, allocated IDR 30,363,000 (0.03%), and the management of poverty data in regencies/cities, which has the largest sub-allocation of IDR 84,286,075,123 (72.17%). Additionally, this activity also funds the facilitation of social welfare assistance for families, allocated

IDR 875,080,232 (0.75%). A detailed overview of the budget allocation for the Social Protection and Social Security Program is presented in Figure 10.



**Figure 10. Social Protection and Security Program of Bojonegoro Regency**  
 Source: 2024 APBD (data processed by the author)

In addition to managing the extensive data on impoverished individuals, the second-largest budget allocation of the Social Affairs Department is directed toward supporting regional government programs at the district/city level. This allocation amounts to IDR 7,827,780,035, equivalent to 6.70% of the total budget. A significant portion of this allocation is dedicated to employee salaries and benefits, with IDR 5,538,487,298 allocated for these expenditures, representing 4.74% of the department's total spending.

### **Economic Acceleration for Impoverished Households**

The substantial allocation for managing data on impoverished individuals has diminished funding for activities aimed at accelerating the economic progress of impoverished households (RTM) to enhance family income. For example, the Social Empowerment Program, which focuses on increasing the capacity of community-based social welfare institutions under district/city jurisdiction, has been allocated only IDR 179,895,000, or 0.15% of the department's budget. Similarly, the Social Rehabilitation Program allocates a mere IDR 219,470,500 (0.19% of the total budget) for providing

meals to disability groups, and IDR 171,343,500 (0.15% of the budget) for meals for individuals with social welfare issues (PMKS).

**Table 7. Social Affairs Department Empowerment Expenditure**

<b>Activities</b>	<b>Budget Nominal</b>	<b>%</b>
Increasing the Potential of Social Welfare Resources Community Institutions District/City Authority	179.895.000	<b>0,15%</b>
Provision of food for the disabled	219.470.500	<b>0,19%</b>
Provision of Assistive Devices	55.980.000	<b>0,05%</b>
Provision of food for People with Social Welfare Problems (PMKS)	171.343.500	<b>0,15%</b>
Provision of Disaster Food	80.214.600	<b>0,07%</b>
Special Handling for Vulnerable Groups	887.966.100	<b>0,76%</b>

Source: 2024 APBD (data processed by the author)

The Head of the Social Empowerment and Poverty Alleviation Division of the Social Affairs Department (Dinsos), Mr. Achmad Syoleh Fatoni, stated:

"The specific programs for economic strengthening fall under the jurisdiction of the Economic Affairs Department. The Social Affairs Department primarily focuses on providing philanthropic aid, which is not yet sustainable in improving the income of poor households."

### **Budget Allocation for Reducing Expenditures of Poor Households**

The fulfillment of basic services in education, health, and housing is a responsibility of the state, particularly for poor households. According to Mr. Fatoni, the Social Affairs Department does not directly manage these responsibilities, as they are assigned to the respective departments. The budget allocation for reducing the expenditures of poor households on essential needs, as outlined in the Regional Budget (APBD), remains relatively limited within the Social Affairs Department. For example: Physical, Mental, Spiritual, and Social Guidance Expenditures: Allocated Rp. 6,198,078,400, representing only 5.31% of the department's total budget. Social Guidance for Vulnerable Groups: Includes programs for families with persons with disabilities, abandoned children, the elderly, beggars, and the homeless, with a budget of Rp. 109,538,000—only 0.09% of the department's total budget.

Access to Basic Education and Healthcare Services: Allocated Rp. 20,310,000, equivalent to just 0.02% of the department's total budget. Notably, the Social Affairs Department's budget does not include allocations for health assurance for poor households or housing assistance to provide decent living conditions for impoverished families still residing in substandard housing. The following table summarizes the program budgets related to guidance and access to basic education services for poor residents, as prepared by the Social Affairs Department of Bojonegoro Regency.

**Table 8: Expenditures on Guidance and Educational Services by the Social Affairs Department**

<b>Activities</b>	<b>Budget Nominal</b>	<b>%</b>
Providing Physical, Mental, Spiritual, and Social Guidance	6.198.078.400	<b>5,31%</b>
Providing Social Guidance to Abandoned Families of Disabled People, Abandoned Children, Abandoned Elderly People, as well as Beggars and the Community	109.538.000	<b>0,09%</b>
Providing Access to Basic Education and Health Services	20.310.000	<b>0,02%</b>

Source: 2024 APBD (data processed by the author)

## **Discussion**

### **Policies of Bojonegoro Regency**

The commitment of the Bojonegoro Regency Government is outlined in the RPJPD (Regional Long-Term Development Plan) for 2005–2025. Strategic regional issues, such as poverty alleviation, unemployment reduction, and improvements in education and public health, are explicitly prioritized. Consequently, poverty has been identified as a key focus of long-term development in Bojonegoro. The RPJPD emphasizes the government's dedication to addressing poverty through the principle of pro-poor (economic growth that prioritizes the underprivileged), pro-job, pro-growth, and pro-environment (sustainable development). Development initiatives are directed towards reducing poverty by empowering communities to meet their basic needs and ensuring access to essential services, which are fundamental rights for all citizens.

This commitment is further detailed in the mission documents of Bojonegoro Regency, including the RPJPD and RPJMD (Regional Medium-Term Development

Plan). The stated missions include improving community welfare based on faith and devotion, developing a competitive human resource base, advancing an economy centered on integrated oil and gas industries and agribusiness, and expanding infrastructure to meet basic needs and support regional economic development.

In addition to these commitments in the mission and strategic issues, Bojonegoro Regency has established specific poverty reduction targets. For example, during the 2015–2020 period, the poverty rate was targeted to decrease to 9–10% of the total population. From 2020–2025, the target was set to further decrease to 8.25%. However, the researcher finds that these planning documents alone are insufficient. Consistency in allocating the APBD (Regional Budget) is crucial, particularly in prioritizing funding for poverty alleviation programs. Research findings indicate that the poverty reduction targets set by the Bojonegoro Regency Government have not been achieved. As of 2024, the poverty rate remains at 11.69% of the population, underscoring the need for more robust policy implementation and budgetary alignment.

### **Regional Revenue and Expenditure Budget of Bojonegoro Regency**

From 2019 to 2024, the revenue structure in the Regional Revenue and Expenditure Budget (APBD) of Bojonegoro Regency was dominated by funds from intergovernmental transfers—balance funds from the central government—averaging 75.04% of total revenue. In 2024, this proportion increased significantly to 81.13%. In contrast, the locally generated revenue (PAD) accounted for an average of only 16.8%, while other legitimate regional revenues constituted an average of 7.84%. Notably, within the PAD structure, the "Other Legitimate PAD" category was the dominant component. This category primarily consisted of revenues generated by Regional Public Service Agencies (BLUD), particularly hospitals, through the provision of healthcare services.

This reliance on hospital-generated revenue is inconsistent with the Bojonegoro Regency Government's commitment to ensuring access to basic healthcare services, particularly for poor households. Instead, such revenue has become a major source of PAD, undermining the goal of providing comprehensive public health guarantees. Meanwhile, revenue components derived from Regional Taxes and Regional

Retributions were ranked third and fourth, accounting for only 16% and 14% of the PAD, respectively. Ideally, Regional Taxes should serve as the primary component of PAD, as they reflect the region's economic growth and stability.

Beyond the revenue structure, it is crucial to examine the consistency of Bojonegoro Regency's expenditure policies with the strategic plans outlined in its development documents. For 2024, the APBD allocated a total expenditure of IDR 8.2 trillion, distributed across operational expenditures, capital expenditures, unforeseen expenditures, and transfer expenditures.

The largest share of expenditure was allocated to operational expenditures, which amounted to IDR 4.4 trillion or 54.09% of the total budget. Among these, personnel expenses were the highest, totaling IDR 1.85 trillion (22.46% of the total budget). This indicates a misalignment between budget planning and development priorities, as the primary focus of regional spending should be on public service delivery aimed at reducing poverty, rather than on personnel salaries.

In addition to operational expenditures, the Bojonegoro Regency Government allocated IDR 2.204 trillion for capital expenditures. The largest portion of this was spent on land acquisition, amounting to IDR 1.247 trillion (15.14% of total capital expenditures). The second-largest allocation was for the construction of public buildings and facilities, amounting to IDR 476 billion (5.78% of total capital expenditures).

The composition of capital expenditures reflects a continued emphasis on public infrastructure development. However, expenditures aimed at enhancing economic access, as well as providing education and healthcare services, have not been prioritized in the APBD allocations. This highlights a lack of focus on sectors that could directly contribute to poverty reduction and improve community welfare.

### **Policy Programs and Expenditures of the Social Affairs Office**

The commitment of the Social Affairs Office in poverty alleviation can be observed through its identification of key development challenges in Bojonegoro Regency, particularly in the management of social affairs. The office has demonstrated significant efforts by identifying three primary issues related to poverty alleviation: (1)



inaccuracies in data on people with social welfare problems (PMKS) and poverty, (2) limited accessibility and infrastructure for addressing PMKS and fostering community participation (PSKS), and (3) the lack of operational utilization of family-based poverty data for interventions in poverty alleviation programs.

Despite these commendable commitments in development planning, inconsistencies arise in the formulation of the Social Affairs Office's expenditure policies. Of the total budget allocated to the office, IDR 116,784,355,040, the largest portion, IDR 97,393,686,355 (83.40%), is dedicated to the Social Protection and Security Program. While the program's stated goal of providing social protection for vulnerable groups—including the elderly, children, persons with disabilities, and poor families—appears promising, a closer examination reveals imbalances in its implementation.

Research findings indicate that a significant portion of this budget, IDR 85,191,518,355 (72.95% of the office's total expenditure), is allocated to activities related to managing poverty data. Additionally, the second-largest expenditure, amounting to IDR 5,538,487,298 (4.74% of the total budget), is used for salaries and allowances for civil servants. These allocations highlight that the primary focus remains on data management and personnel expenses, rather than on programs that directly ensure that the most socioeconomically disadvantaged individuals receive the necessary assistance to meet basic needs and improve their quality of life.

### **Economic Acceleration for Poor Households**

The Bojonegoro Regency Government, through the Social Affairs Office, has yet to prioritize budget allocation for accelerating the economic conditions of poor households. The significant budget allocated for poverty data management has overshadowed funding for other critical activities. Expenditures on programs designed to accelerate the economic progress of poor households (RTM) remain minimal and insufficient. For example, the budget for activities aimed at improving the income of poor families under the Social Empowerment Program is only IDR 179,895,000, representing a mere 0.15% of the Social Affairs Office's total budget. Similarly, the allocation for providing meals to persons with disabilities under the Social

Rehabilitation Program amounts to just IDR 219,470,500 (0.19%), while meal costs for individuals facing social welfare issues (PMKS) are allocated only IDR 171,343,500 (0.15%).

These figures underscore a lack of prioritization and commitment toward programs that could significantly impact the welfare and economic stability of poor households. To address this imbalance, there is an urgent need to reallocate resources towards more impactful and inclusive programs that empower vulnerable communities and improve their overall living standards.

### **Budget Allocation for Reducing Basic Needs Expenditures of Poor Households (RTM)**

The allocation of the budget to meet the basic needs of poor households (RTM) in the areas of education, healthcare, and housing demonstrates similar limitations as those observed in the budget for economic acceleration programs for RTM. Basic services such as education, healthcare, and housing—obligations of the state to its citizens, particularly poor households—have yet to become a primary focus in the Social Affairs Office's budget in Bojonegoro Regency. The allocated amounts remain relatively small and limited.

In the education sector, although expenditures appear relatively high compared to other RTM-related programs, they remain disproportionate to the overall Regional Revenue and Expenditure Budget (APBD) of Bojonegoro Regency. For instance, the allocation for activities such as providing physical, mental, spiritual, and social guidance amounts to IDR 6,198,078,400, or 5.31% of the Social Affairs Office's total budget, which is significantly higher than other expenditures for RTM. However, the budget allocated for social guidance for families of abandoned persons with disabilities, neglected children, elderly individuals, as well as vagrants and beggars, is only IDR 109,538,000, representing a mere 0.09% of the Social Affairs Office's total budget. Even more striking is the allocation for activities aimed at providing access to basic education and healthcare services, which amounts to just IDR 20,310,000, or 0.02% of the total budget.

The Social Affairs Office's expenditure policy does not include allocations for ensuring health guarantees for poor households or providing decent housing assistance for impoverished communities. Instead, the only related expenditure is for providing medical equipment for persons with disabilities, and even this allocation is minimal. These findings underscore the need for a more comprehensive and prioritized approach in budget planning to ensure that basic needs such as education, healthcare, and housing are adequately addressed for poor households.

## **Conclusion**

The research data and findings indicate that the Bojonegoro Regency Government has demonstrated a commitment to poverty alleviation, as reflected in its development planning documents. These include the 20-year Regional Long-Term Development Plan (RPJPD), the five-year Regional Medium-Term Development Plan (RPJMD), and annual work plans and action plans. The government has even set annual poverty reduction targets.

However, the data and analysis reveal that these targets have not been achieved. This is attributed to the lack of consistency in the government's budget management policies. Salaries continue to dominate expenditures, exceeding allocations for priority spending on poverty reduction as outlined in the development plans. In addition to salary expenditures, the government's primary focus remains on infrastructure development rather than direct spending that could reduce poverty by accelerating the economic growth of poor households.

The budget allocation for reducing poverty-related expenditures, particularly for meeting the basic needs of impoverished households, remains minimal in the budget of the Social Services Agency (Dinas Sosial) of Bojonegoro Regency. Moreover, the Social Services budget primarily focuses on managing data on impoverished individuals rather than implementing direct intervention programs to improve the welfare of the poor.

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