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The Influence of Village Leadership and Village Funds on Poverty

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Abstract

Poverty is a problem in the village, therefore a strategy is needed, namely the Village Fund policy. However, the success of its utilization depends on the quality of leadership. Therefore, transparent and visionary village leaders are needed so that the funds are effective. This study aims to evaluate the influence of village leadership and village funds on poverty. The study population was 103 villages in Padang Pariaman Regency. The sampling technique was stratified random sampling. Data processing and analysis were carried out using SmartPLS. The results of the study indicate that responsive and participatory leadership plays an important role in poverty alleviation. In addition, effective allocation of village funds makes a positive contribution to community economic empowerment in poverty alleviation. This study is expected to provide insight for policy makers to improve the quality of leadership and management of village funds.

Keywords: Leadership, Poverty, Village Fund.

Introduction

Poverty remains a fundamental problem in many rural areas in Indonesia. Although various programs have been launched by the central and regional governments to reduce poverty rates, the challenges faced at the village level remain complex and diverse. One of the strategic efforts made by the government is through the Village Fund policy, which has been rolled out massively since the enactment of Law Number 6 of 2014 concerning Villages. Village funds are expected to be an important instrument to encourage participatory and sustainable village development, as well as being a catalyst in reducing poverty rates.

Village Fund Allocation is part of the Village Fund originating from the State Budget, which is then transferred to the Regional Budget at the district or city level, before being distributed to each village. This fund is used to fund village government activities, infrastructure development, community empowerment, and fostering social life in the village.

As in community life, of course the role of a leader is very much needed in regulating the running of government in society (Nugroho et al. 2022); Arifin et al. 2020; Watts et al. 2019; Beckman et al., 2001). In this regard, the birth of Law No. 23 of 2014 concerning Regional Government provides broad space for regional governments to carry out government affairs with the principle of the broadest possible autonomy. According to West

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Sumatra Provincial Regulation Number 9 of 2000 concerning Nagari Government, nagari is defined as follows "nagari is a customary legal unit of the West Sumatra Province consisting of a collection of several areas that have certain boundaries, have their own assets, have the right to organize and manage their own households and elect their own government leaders.

Village is the traditional name and political unit of the Minangkabau socio-political organization since pre-colonial times, and is currently the lowest government unit in West Sumatra Province. Meanwhile, in other regions of Indonesia the name is village. This is an implication of the commitment of the West Sumatra Provincial Government to restore the Nagari form of government as the lowest level of government through Regional Regulation No. 9 / 2000 concerning the Principles of Nagari Government and has been effectively in effect since January 1, 2001.

Padang Pariaman is a region that has several villages with diverse social and economic dynamics. In this context, the role of village leadership is vital, because it can potentially influence the poverty conditions of villages. Local leadership can have a significant impact on poverty alleviation efforts, especially in terms of the allocation and management of village funds. Therefore, a case study that focuses on the relationship between village leadership and village fund allocation can provide an in-depth understanding of poverty dynamics at the local level. The importance of variables not only involves policy aspects, but also includes social, economic, and cultural aspects in a village.

By looking at the policies and decisions taken by village leadership, and their impact on village fund allocation, we can understand how these policies contribute to poverty alleviation at the local level. This study is expected to provide relevant and useful information for related parties, including local governments, in improving the effectiveness of poverty alleviation programs in villages in Padang Pariaman Regency. Thus, this study is expected to provide a significant contribution to efforts to improve community welfare at the village level.

This study identifies the allocation of village funds related to leadership and poverty. Study Unlike previous studies, leadership, poverty. Then by (Windy Widya Pratiwi, 2019; Asep Muslim, 2016; Omoyibo, 2013; Babu & Pinstrup-andersen, 2007) only looked at the relationship between leadership and poverty. Furthermore, research (Yang, 2019; Liu et al., 2019; Han et al., 2019; Muliati, 2019; Artino, 2017) only looked at the relationship between village funds and poverty.

Literature Review and Hypotheses Development

Theory of Poverty

Structural poverty theory states that poverty is caused by unfair social, economic, and political structures. In the context of the village, this includes unequal distribution of resources, limited access to education, health, and economic opportunities. These factors are often rooted in state policies, uneven distribution of resources, and lack of supporting infrastructure. David Cox in (Marsitadewi & Sudemen, 2024) said that structural poverty

refers to poverty that occurs due to limited access to resources, which is generally caused by socio-cultural or socio-political systems that do not support poverty alleviation efforts.

Absolute and Relative Poverty Theory distinguishes poverty based on absolute and relative criteria. Absolute poverty refers to a condition in which an individual or family does not have enough resources to meet basic life needs, such as food, clothing, shelter, health, and education.

This absolute poverty standard is usually fixed and focuses on meeting basic needs without considering comparisons with the surrounding community. Meanwhile, relative poverty is related to inequality in society. Although basic needs may be met, individuals or groups are considered poor if their income or quality of life is far below the community average, causing them to feel left behind. This approach emphasizes social comparison and the distribution of income in society. The main difference between absolute poverty and relative poverty lies in the standard of measurement. Absolute poverty uses a consistent poverty line, unaffected by time or location, to determine whether an individual or family meets basic needs. In contrast, relative poverty measures the inequality of income distribution and living standards in a given society, so its measurement is contextual and can change according to local socio-economic conditions. In Nagari, both are relevant, as many nagari face absolute poverty, while there are also greater social differences between nagari and urban areas that reflect relative poverty. The absolute poverty threshold reflects the poverty standard in countries with the highest poverty rates, which generally includes the basic resources needed to meet nutritional and other life needs, (Najam et al., 2024; World Bank, 2023; Decerf & Ferrando, 2022; Zhou et al. 2018; Todaro & Smith, 2015; Chambers, 2014).

Village Fund Theory

Public finance theory explains that public funds (including village funds) are managed, distributed, and used to meet public needs. In the context of village fund allocation, this theory focuses on the role of government in collecting and allocating funds for villages, and how the distribution of these funds can affect the welfare and development of village/village communities. Public finance includes state revenues, state expenditures and financing aimed at improving the welfare of the people. Public financial management is carried out by the central, provincial, district/city and village governments. For this reason, the state plays a role in managing public finances because: the level of public welfare is still low, poverty still exists, corrupt practices occur in every area of government, uneven distribution of income, low economic growth and budget irregularities, (Jaelani, 2015).

The theory of local governance emphasizes that governance at the local level, especially in the management of funds received by the village government. This theory views how a good village governance system can support transparency, accountability, and community participation in the allocation and use of village funds. Decentralization and regional autonomy require the formation of an independent regional government, known as local self-governing, which is led by the local community or based on local initiatives. This is called local government. Essentially, local government refers to government run by the local community or based on their initiatives through the formation of local self-governing. This local government is the result of the implementation of regional autonomy, which ultimately

forms a local government tasked with running its own local government, (Pertiwi, 2023); (Bart Robertson, 2015).

The theory of community empowerment explains that the community is actively involved in the planning and management of village funds. The allocation of village funds should not only be seen as financial assistance, but also as a tool to empower village communities in making decisions that lead to improving their quality of life. The purpose of this theory is to enable individuals and groups to overcome limitations and achieve prosperity through increased capacity and active participation. Community empowerment is seen as an important element in development communication. Effective communication plays a key role in conveying

Village Leadership Theory

Transformational leadership theory emphasizes leaders who can inspire and motivate their followers to achieve common goals that are greater than just personal or group interests. Village heads who use a transformational leadership style can motivate the community to actively participate in village development, as well as create sustainable positive changes (Hurwitz & Hurwitz, 2015). According to (Yukl, 2017) with transformational leadership, followers feel a sense of trust, admiration, loyalty, and respect for the leader, and are motivated to do more than expected. Leaders inspire and change followers by: 1) increasing their awareness of the importance of work results, 2) encouraging them to prioritize the interests of the team or organization above personal interests, and 3) meeting their higher needs.

Service leadership theory focuses on leaders who prioritize service to their followers over personal achievement or power. Village heads with a service leadership style focus on community needs, provide support, and build strong relationships with their citizens to improve their well-being and participation in village development. Servant leaders focus on empowering teams, sharing decision-making power, and building a sense of community among team members. The resulting organizational structure is often described as an “inverted pyramid,” where leaders are at the bottom, supporting employees, customers, and other stakeholders (Iswanto, 2017).

Participatory leadership theory emphasizes the importance of community participation in the decision-making process. Village heads who apply a participatory leadership style encourage villagers to be directly involved in the planning and implementation of village policies. This can increase the sense of ownership and responsibility of residents towards the results of village development. Participatory leaders are a leadership style that actively involves subordinates in the decision-making and implementation process (Masruhin & Raudhoh, 2022). Meanwhile, delegation is the giving of tasks and responsibilities from a leader to his subordinates. Delegation of authority refers to the giving of these tasks or responsibilities. When associated with the concept of participatory leadership, delegation of authority plays a supporting role, although the two are not entirely the same. In general, delegation of authority is carried out by giving various different tasks or responsibilities to each subordinate.

Proposed Concept

Based on the phenomenon, hypothesis formulations, namely:

- Hypothesis 1: Village Leadership directly affects poverty.
- Hypothesis 2: Village Fund directly affects poverty.

Methodology

This study focuses on Padang Pariaman Regency in West Sumatra Province, an area that has experienced one of the most significant increases in poverty rates within the region. It delves into the factors influencing these rising poverty levels, shedding light on a pressing social issue that demands our attention.

Target Research

The population of this study consisted of 103 villages in Padang Pariaman Regency which were

categorized as follows:

No	Village Status	Year 2021		Year 2022		Year 2023	
		Villages Number	%	Villages Number	%	Villages Number	%
1	Self-sufficient	3	1	5	5	7	7
2	Pre-Sufficiency	37	36	46	45	53	51
3	Intermediate	61	59	50	49	42	41
4	Pre Intermediate	2	2	2	2	2	1
	Amount	103	100	103	100	103	100

Table 1. Village Status in Padang Pariaman 2021-2023

Source: Ministry of Villages, Development of Disadvantaged Regions and Transmigration, 2024

By using the Slovin formula with a sample population of 103 villages, a minimum sample size of 83 villages can be obtained:

No	Village Status	Villages Number
1	Self-sufficient	1
2	Pre-Sufficiency	21
3	Intermediate	54
4	Pre Intermediate	7
	Amount	83

Table 2. Minimum Number of Samples Per Village

Source: Ministry of Villages, Development of Disadvantaged Regions and Transmigration, 2024

Forms and Sources of Data

In this study, we harnessed the power of both primary and secondary data to enrich our findings. The primary data was gathered through thoughtfully crafted questionnaires distributed to carefully selected villages. We engaged with key representatives, including the Village Apparatus, Village Deliberative Body, and Village Customary Council, to gain their invaluable insights. Additionally, we enriched our research with secondary data obtained from reputable library sources, ensuring a robust foundation for our analysis.

Techniques

According to (Muhajirin and Maya Panorama, 2017), explanatory research elucidates the relationships among variables. We utilized two PLS models: the measurement model and the structural model, as outlined by (Henseler et al. 2015).

a. AssessmentSystem Analysis

Within our model, we analyzed two distinct types of relationships between indicators and their

constructs: reflective and formative indicators (Ghozali, 2016). Our evaluation employed a rigorous approach, assessing measurement quality through comprehensive validity and reliability tests. This meticulous process ensures that the relationships are robust, convincingly supporting the framework of our model.

b. Path Model Assessment

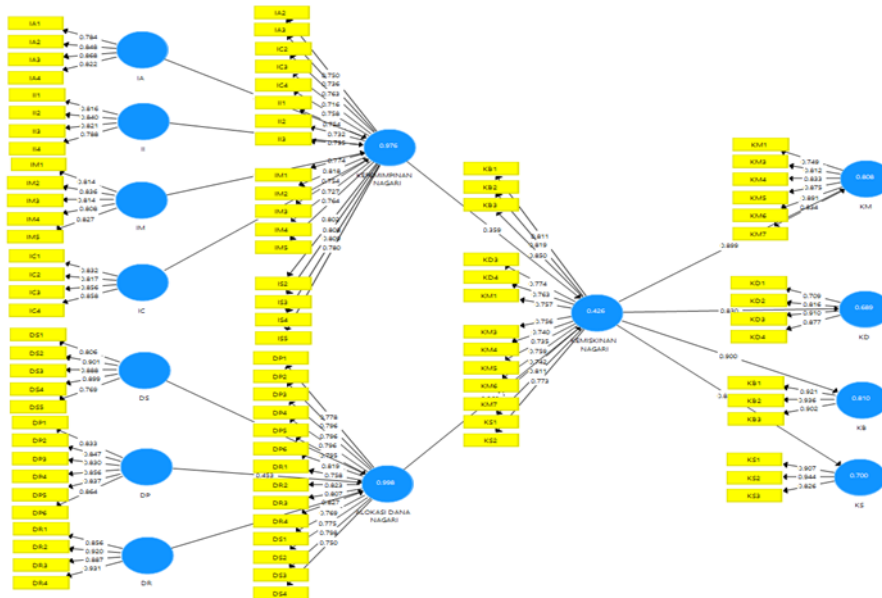
Is a process used primarily in Structural Equation Modeling (SEM) and similar analytical techniques to evaluate how well a theoretical model explains the relationships among variables. A path model is a diagram or statistical model that shows causal or correlational relationships between variables. It often includes: exogenous variables (independent), endogenous variables (dependent), and Paths (arrows) representing hypothesized relationships.

Results

Assessment of the model external

Assessment of the external model (or outer model) refers to the evaluation of how well the measurement model (i.e., how constructs are measured by observed indicators) performs. It's the first step in model validation in PLS-SEM before analyzing the structural (internal) model.

In simple terms, it's about checking the quality and reliability of the survey questions (indicators) used to measure latent variables, the results of the analysis can be seen in Picture 1 below:



Picture 1. Outer Model Path Coefficients

Source: Data Processed by Researchers, 2024

Analysis of the Results from Validity Testing

Validity testing ensures that the items (or indicators) in your questionnaire or measurement model accurately measure the intended construct. The analysis of validity testing results involves interpreting key statistical values to determine if your measurement model is sound.

a) Construct

A construct refers to an abstract concept or idea that cannot be directly observed but is measured through a set of indicators, such as questions, items, or variables. This implies that these criteria are appropriate for assessing the construct. In developing the measurement scale, a loading factor greater than 0.5 is deemed satisfactory and meets the necessary criteria. The study's results showed that the three variables examined, which assessed poverty levels in the village and leadership, had loading factor values exceeding 0.7. This indicates that each question or statement representing these variables meets the standards required to be considered valid research objects.

b) Divergent

Divergent validity is a vital component of construct validity, designed to ensure that two constructs intended to be unrelated truly stand apart from one another. This critical assessment confirms that the constructs measure distinct dimensions, free from any overlap in meaning or measurement. When the average variance extracted from each variable exceeds 0.5, we can confidently conclude that divergent validity has been achieved. Below, we present the results of this analysis:

Variable	AVE
Village Leadership	0,586
Village Fund	0,628
Poverty	0,604

Table 3. Results of Discriminant Validity Test

Source: Primary Data Processing Results, 2024

AVE leadership variables, village funds and poverty are above 0.5.

Reliability Analysis

Reliability and Cronbach's Alpha are accepted if the value exceeds 0.5, provided that the criteria for convergent validity and discriminant validity have also been met. The test results are presented below:

	Coefficient Alpha	Construct Reliability
Village Leadership	0,956	0,960
Village Fund	0,954	0,959
Poverty	0,945	0,952

Table 4. Assessment Results of Reliability

Reference: Data Processing Results, 2024

It can be explained:

The Composite Reliability Value of the village leadership, village funds, and poverty variables are Cronbach's alpha for the village funds, and poverty variables is also greater than 0.7.

Analysis Testing

The multicollinearity test in linear regression evaluates whether there is a strong relationship between independent variables (X) in the model. Multicollinearity occurs when two or more independent variables are highly correlated with each other, making it challenging to assess the individual impact of each variable on the dependent variable (Y). A Variance Inflation Factor (VIF) value of less than 3.5 to 5 indicates significant multicollinearity, as detailed below:

	Poverty
Village Leadership	1,711
Village Fund	1,711

Table 5. Multicollinearity Examination

Reference: Data Processing Results, 2024

Presents the analysis of the variables. The Poverty variable has a Variance Inflation Factor (VIF) of 1.711. This is consistent across related variables: "Village Leadership for Poverty" and "Village Fund for Poverty," both of which also have a VIF of 1.711. According to multicollinearity assumptions, a VIF value less than 5 indicates no violation of the assumptions. Therefore, since the VIF for "Village Leadership for Poverty" is 1.711, and the VIF for "Village Fund for Poverty" is also 1.711, which is below 3.5 in terms of green light metrics, we can conclude significant relationship among.

Evaluation of Structural Model

Inner models evaluate the structural relationships between constructs in the model, that is, how well the independent variables explain the dependent variable. These models include:

1. R-squared value (R^2)

Formula	Determination Coefficient	Adjusted Coefficient of Determination
Poverty	0,426	0,423

Table 6. R-Squared Value

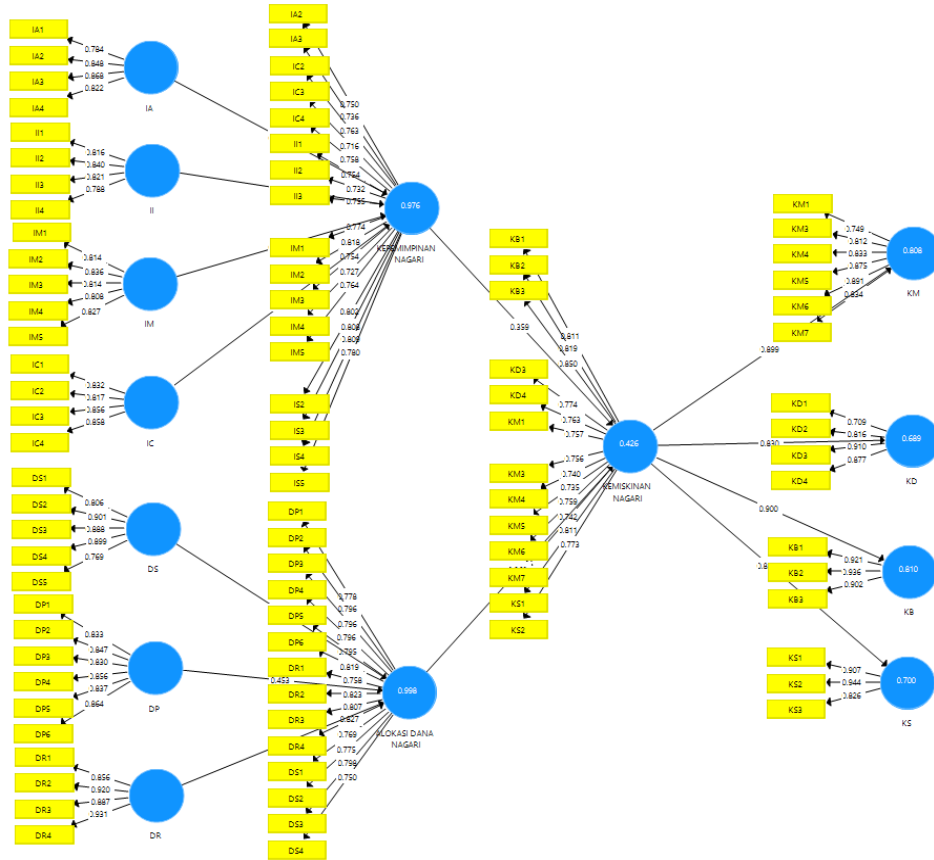
Source: Primary Data Processing Results, 2024

According to the data, village leadership and village funds significantly influence poverty, accounting for 42.6% of the variance. This leaves 57.4% of the variance in poverty influenced by other exogenous variables.

The Q-square 0.729 indicates 72.9% of variability in the endogenous variables can be explained by the model's exogenous variables, while the remaining 27.1% is influenced by other exogenous factors. Therefore, concluded demonstrates good.

2. Analysis Testing

The results can be seen Picture 2.



Picture 2. Inner Model Coefficients

Reference: Data Processing Results, 2024

Assessment of Direct Effects

The path coefficient reveals the strength of the impact that the independent variable exerts on the dependent variable. By examining the model diagram alongside the accompanying path coefficient table, we can rank these influences from the most significant to the least significant, as elaborated in the following sections. This insight not only illuminates the relationships at play but also enhances our understanding of the dynamics that shape the outcomes.

Model	Koefisien Faktor	T Statistics (O/STDEV)	P Values
Village Leadership ->Poverty	0,360	6,998	0,000
Village Fund ->Poverty	0,360	6,941	0,000

Table 7. Impact Assessment Findings

Two variable models have positive Coefficient values. The greater the P value, the stronger the relationship or influence between the variables. Thus the conclusion of the explanation.

The Influence of Independent Variables on Poverty.

The statistical analysis of the Village Leadership variable in relation to poverty reveals a strong and significant influence. The results show a t-statistic of 6.998 and a p-value of 0.000, both of which provide compelling evidence to reject the null hypothesis (H_0), which posits that there is no relationship between village leadership and poverty. Given that the p-value is well below the conventional threshold of 0.05, and the t-statistic is substantially large, we accept the alternative hypothesis (H_1): that village leadership significantly affects poverty reduction.

This statistical significance reflects the measurable role that effective leadership plays in shaping economic outcomes in rural communities. Leaders who are competent, transparent, and responsive to local needs can directly influence the success of poverty alleviation programs. Their decisions regarding resource allocation, community mobilization, and local governance can either enhance or hinder the effectiveness of development efforts. Thus, the data confirms that leadership is not merely symbolic; it has a real and quantifiable impact on poverty levels.

Similarly, the analysis of the Village Fund variable also yields statistically significant results, reinforcing its critical role in poverty reduction. With a t-statistic of 6.941 and a p-value of 0.000, this variable also leads to the rejection of the null hypothesis and supports the acceptance of the alternative hypothesis. These results affirm that Village Fund allocation has a significant and positive influence on poverty alleviation.

The Village Fund, typically disbursed through the Village Revenue and Expenditure Budget (APBDes), supports various development programs ranging from infrastructure and education to health services and entrepreneurship initiatives. A statistically significant t-value indicates that these funds are being effectively translated into outcomes that reduce poverty. When used strategically and transparently, they can create employment opportunities, improve access to essential services, and stimulate local economies.

Together, these findings emphasize the dual importance of both leadership and financial resources in addressing rural poverty. While funding provides the material foundation for development, leadership determines how effectively those funds are used. A village with strong leadership but insufficient funding may struggle to achieve scale, while one with ample funding but poor leadership may suffer from mismanagement or corruption. Thus, the interaction between these two variables can be viewed as complementary forces—each enhancing the other's impact on poverty reduction.

In conclusion, the statistical evidence robustly supports the notion that both Village Leadership and Village Fund are critical determinants of poverty outcomes. Their high t-statistics and low p-values signal not only statistical significance but also the practical importance of investing in governance quality and fiscal capacity at the village level. These findings can serve as a valuable guide for policymakers, development practitioners, and researchers in designing more effective poverty reduction strategies that are rooted in local leadership and supported by sustainable financial mechanisms.

Discussion

Leadership is effective if the followers or those led innovate to achieve goals. Village leadership and village funds are effective if there is a decrease in poverty rates. The results are as follows:

1) The influence of village leadership on poverty.

The influence of village leadership on poverty reduction is both profound and multifactorial, as effective leadership acts as a driving force for community transformation, development, and resilience. This study reveals that strong, visionary leadership has a compelling positive impact on efforts to alleviate poverty, especially in rural areas where limited infrastructure and resources often hinder progress. Village leaders not only set the tone for governance but also inspire collective action, instill hope, and mobilize local resources in ways that create sustainable change.

In peaceful, cooperative environments free from conflict and political tension village leadership can foster a culture of innovation, inclusivity, and collaboration. These conditions allow inspiring ideas and forward-thinking perspectives to take root and flourish. When leaders actively engage with their communities, listen to their needs, and promote shared goals, a sense of ownership and responsibility emerges among residents. This empowerment leads to increased community participation, skill enhancement, and a drive to pursue new opportunities, all of which contribute to poverty reduction. Over time, these shifts cultivate entrepreneurial mindsets and strengthen the local economy through small businesses and diversified income streams.

The research of (Li et al. 2022) offers concrete evidence of the influence that effective leadership can have on economic outcomes. Their study emphasizes the pivotal role of “rural wealth leaders” individuals within the community who, through knowledge, skills, and social influence, help guide others toward financial success. These leaders often serve as role models or mentors, encouraging other farmers to adopt more efficient practices, enter new markets, or engage in cooperative efforts. According to the study, many farmers experienced a notable monthly income increase of 200–400 RMB, demonstrating how leadership, when coupled with expertise and local trust, can yield measurable improvements in livelihoods.

Furthermore, the influence of party members and skilled local leaders extends beyond individual income gains it creates a ripple effect that fosters broader community development. These leaders often bridge the gap between government programs and grassroots needs, ensuring that initiatives are not only implemented but adapted to local contexts. Their active involvement helps reduce barriers to participation, particularly for marginalized groups such as women or low-income households, thereby promoting more inclusive development.

Supporting this perspective, (Aritonang et al. 2021; Dum and Nwafor, 2019) highlight the role of visionary leadership in generating sustainable employment and long-term poverty alleviation. Leaders with a strategic outlook prioritize programs that build community capacity, such as vocational training, youth empowerment, agricultural innovation, and infrastructure development. These efforts lay the groundwork for stable employment and economic diversification, which are essential for breaking the cycle of poverty.

In summary, village leadership is not simply an administrative function it is a dynamic and transformative force. When leaders are knowledgeable, ethical, and visionary, they create environments where people feel empowered to learn, innovate, and strive for a better quality of life. This transformation does not happen overnight, but through sustained engagement and the strategic use of resources, leadership becomes the cornerstone of poverty alleviation. As research and real-world outcomes show, empowering and investing in strong local leadership is one of the most effective ways to foster inclusive and lasting development in rural communities.

2) The influence of village fund allocation on poverty.

The influence of village fund allocation on poverty is both significant and multifaceted, as it directly affects the quality of life and opportunities available to rural populations. This study highlights the persistent presence of poverty within villages, emphasizing the need for well-targeted and efficient government interventions. Village fund allocation, when managed effectively, becomes a powerful instrument for addressing structural and systemic issues that perpetuate poverty in rural areas.

The Village Revenue and Expenditure Budget (APBDes) serves as the financial blueprint for village development, encompassing investments in infrastructure, human capital, and community empowerment programs. Through this mechanism, funds are allocated for essential services such as clean water, roads, electricity, education, and healthcare critical areas that, when improved, have a direct and measurable impact on poverty reduction. In addition, funding for capacity-building programs enhances the skills of villagers, enabling them to access better employment opportunities and participate in local economic activities.

Numerous studies support the positive relationship between village fund allocation and poverty alleviation. For instance, research conducted by (Yang, 2019), (Liu et al. 2019), (Han et al. 2019), (Muliati, 2019), (Artino, 2017), (Westmore, 2018), (Silas et al. 2018), and (Bukhari, 2021) generally concludes that increased village funding correlates with a decrease in poverty levels. These studies collectively indicate that when villages are empowered with sufficient resources, they are more capable of implementing development programs that address local needs. More importantly, this relationship suggests that fiscal support is not merely symbolic it translates into tangible improvements in living conditions.

The importance of how these funds are managed is further underscored by findings from (Hussain et., al. 2021), who argue that fiscal decentralization granting local governments autonomy over spending has both direct and indirect effects on poverty alleviation. Directly, decentralization allows village leaders to tailor programs that address specific local challenges, such as underemployment or lack of access to markets. Indirectly, it strengthens governance and accountability mechanisms by bringing decision-making closer to the people, increasing transparency and community engagement.

Additionally, (Faridi et al. 2012) highlight the economic benefits of decentralization in improving spending efficiency and promoting job creation. When local governments can allocate and utilize resources efficiently, it leads to the development of local industries, agriculture, and services. The economies of scale generated through such strategic spending result in increased employment an essential factor in combating poverty. Employment not only provides income but also enhances social inclusion, self-reliance, and dignity.

In conclusion, effective village fund allocation particularly when grounded in principles of decentralization, participation, and strategic planning serves as a cornerstone of rural poverty reduction efforts. It enables local governments to invest in both the physical and human infrastructure needed to lift communities out of poverty. The growing body of empirical evidence reinforces the idea that with proper governance and sustained investment, village funds can transform rural areas into engines of inclusive growth and sustainable development.

Conclusion

Village leadership wields a powerful and transformative influence on the fight against poverty.

Effective village leaders serve not only as administrators but as visionaries who shape the social and economic trajectory of their communities. Their role goes far beyond governance they become catalysts for change, embodying the community's aspirations and spearheading efforts to uplift the poor and marginalized. In areas where poverty is deeply entrenched, strong and empathetic leadership can break cycles of dependence by fostering a culture of self-reliance, solidarity, and progress.

Their inspiring vision and innovative ideas ignite a passion within community members, compelling them to work diligently, enhance their skills, and explore creative solutions to boost their income. A forward-thinking leader can galvanize the community by articulating a clear and compelling vision for a better future. This inspiration motivates individuals to invest in themselves whether through vocational training, entrepreneurship, or cooperative endeavors. Innovation, when championed by leadership, nurtures local ingenuity and encourages experimentation with new farming techniques, small business models, or value-added production methods. As a result, villagers are no longer passive recipients of aid but active participants in their own development.

Furthermore, the strategic use of Village Funds plays a crucial role in this endeavor, offering essential resources and empowering the community through the Village Revenue and Expenditure Budget. Financial resources allocated through mechanisms like the Village Revenue and Expenditure Budget (APBDes) provide the material foundation for these transformative efforts. When used wisely and transparently, these funds can finance a range of poverty-reduction initiatives such as improving rural infrastructure, supporting education and healthcare, and offering microcredit or seed capital for small enterprises. Strategic planning ensures that these investments align with the community's needs and long-term goals, maximizing impact and sustainability.

Together, these elements create a hopeful and prosperous pathway toward overcoming poverty. When visionary leadership, community engagement, and effective resource management converge, they form a powerful triad capable of dismantling the structural barriers that perpetuate poverty. This holistic approach builds resilience and fosters an environment in which all villagers have the opportunity to thrive. Over time, such efforts can transform entire communities turning poverty-stricken villages into vibrant centers of productivity, cooperation, and human dignity.

Practical Implication

Certain aspects of our community require further nurturing, as they have demonstrated a significant impact on alleviating poverty in the village. We can cultivate this potential through engaging training sessions and dynamic workshops that illuminate our vision, mission, goals, and objectives as outlined in the village's medium-term plan.

Moreover, we must enhance the management of our village fund allocations, especially in devising programs and initiatives that effectively tackle poverty. This can be achieved through comprehensive training sessions focused on crafting detailed revenue and expenditure budgets for the village. By ensuring that our village budget is meticulously prepared in accordance with established regulations, we can foster positive change in our poverty eradication efforts.

Additionally, it is essential to refine our poverty alleviation policies by introducing impactful social assistance programs, labor-intensive initiatives, and other creative solutions funded by our village resources. These strategic interventions hold the promise of significantly reducing

poverty in our community, paving the way for a brighter and more prosperous future for all residents.

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