

THE EFFECT OF CENTRAL GOVERNMENT ASSISTANCE, PROGRAM IMPLEMENTATION QUALITY, AND FINANCIAL BEHAVIOUR ON THE WELFARE OF BENEFICIARY FAMILIES IN SAMBAS REGENCY

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ABSTRACT

This study aims to analyse the impact of Central Government Assistance, programme implementation quality, and financial behaviour on the welfare of beneficiary families (KPM) in Sambas Regency. The study uses a quantitative approach with the *Structural Equation Modelling-Partial Least Squares* (SEM-PLS) method. The research population included all KPM recipients of Central Government Assistance (BPP), while the sample was determined through two-stage cluster sampling to ensure regional representativeness. Primary data was obtained through the distribution of Likert scale questionnaires to KPM, while secondary data was collected from the Sambas Regency Social Service to support the analysis. The results showed that the three independent variables—Central Government Assistance, programme implementation quality, and financial behaviour—had a positive and significant effect on KPM welfare. Central Government Assistance that was appropriate in amount and targeted proved to improve family economic conditions. Programme implementation quality, characterised by transparency, efficiency, and procedural accuracy, also contributed to the success of the intervention. In addition, good financial behaviour among KPM, such as the ability to manage income and expenditure, contributes to more productive and sustainable use of assistance. Overall, these findings underscore the importance of synergy between government support, quality programme governance, and family financial literacy in efforts to improve the welfare of beneficiary communities in border areas.

Keywords: Central Government Assistance; Implementation Quality; Financial Behaviour; Family Welfare; Sambas Regency

A. INTRODUCTION

Poverty and extreme poverty remain multidimensional issues that hinder the acceleration of national development, particularly in Indonesia's border regions. Sambas Regency, as an area directly bordering Malaysia, faces structural challenges in the form of limited infrastructure, access to education and health care, and unequal economic opportunities. These conditions contribute to a poverty rate that is above the provincial average, affecting more than 6% of the population, making the issue of family welfare a highly strategic policy focus for the Central Government .

As part of national poverty alleviation efforts, the central government has allocated various social assistance programmes (Putri et al., 2015) , such as the Family Hope Programme (PKH), Health Insurance Contribution Assistance Recipients (PBI-JK), the Smart Indonesia Programme (PIP), and Direct Cash Assistance (BLT). These programmes are designed to improve the quality of life of the poor, both through short-term consumption support and long-term investment in human resources. The effectiveness of these assistance programmes is expected to strengthen the

economic resilience of beneficiary families (KPM), especially in areas with high economic vulnerability such as Sambas.

However, various previous studies have shown that the impact of government assistance is not always optimal. Several studies have found that the amount of assistance, the accuracy of targeting, the quality of programme implementation, and the financial behaviour of beneficiary families also determine the success of programmes in improving welfare. In certain contexts, social assistance can even create the risk of dependency if it is not accompanied by sound financial behaviour and high-quality programme implementation (Sumiyati & Icoh, 2019). These findings indicate that the success of government assistance programmes is highly dependent on the synergy between policy design, the quality of implementation in the field, and the financial management behaviour of beneficiary households.

Sambas Regency is a relevant case study because border areas generally present more complex welfare challenges than non-border areas. Furthermore, the socio-economic dynamics of the Sambas community, characterised by limited employment opportunities, unequal access to basic services, and dependence on the informal sector, make it an important context for evaluating the effectiveness of the government's assistance programme, the National Targeted.

Based on these conditions, this study needs to be conducted to analyse how central government assistance, programme implementation quality, and the financial behaviour of beneficiary families contribute to improving the welfare of KPM in Sambas Regency. This analysis is expected to provide strong empirical evidence for strengthening social protection policies in border areas and to provide input for improving the effectiveness of poverty reduction programmes at the national and regional levels.

B. METHOD

This study utilises a causal associative research design with a quantitative approach. This approach was chosen because the study focuses on testing the causal relationship between independent variables Central Government Assistance, programme implementation quality, and financial behaviour and dependent variables in the form of the welfare of beneficiary families (KPM), through numerical data analysis and measurable statistical testing.

The research population includes all KPM of the Central Government Assistance Programme in Sambas District. Based on data from the Sambas District Social Service in 2024, there are 2,847 KPM spread across 19 sub-districts. Due to the large and geographically dispersed population, a two-stage cluster sampling technique was used to ensure regional representativeness. In the first stage, five sub-districts were selected from the 19 sub-districts based on the highest proportion of KPM. In the second stage, 10 KPM were randomly selected from each selected sub-district, resulting in a total sample of 50 respondents. Although the sample size is relatively small, it is still acceptable in *Structural Equation Modelling-Partial Least Squares* (SEM-PLS) analysis, which is methodologically capable of accommodating sample sizes of 30–100 respondents and still producing stable model estimates.

SEM-PLS was chosen for several methodological reasons. First, SEM-PLS is effective for studies with small sample sizes and data that are not completely normally distributed. Second, this method is capable of testing complex causal relationships between latent variables simultaneously, including estimating measurement models (outer models) and structural models (inner models). Third, SEM-PLS is suitable for both exploratory and predictive research, especially when the theoretical model is still developing or the latent variables have varying

indicators. Therefore, SEM-PLS is considered more appropriate to use than multiple regression, which has limitations in handling latent models and complex multivariate relationships.

Table 1. Research Variables and Operationalisation

Variables	Operational Definition	Indicators
Central Government Assistance (X1)	Amount and consistency assistance received by KPM within a specific period	Amount of monthly assistance Consistency of timeliness Suitability to needs
Quality of implementation (X2)	The extent to which the programme is carried out according to the rules and established standards	Targets are met Transparency of information Administrative process efficiency
Financial behaviour (X3)	Financial management patterns KPM households	Household expenditure planning Savings and savings Allocation of productive expenditure
Family Welfare (Y)	Food sufficiency Basic family needs	Food sufficiency Quality of housing Access to education and health care

Primary Data: Collected through a questionnaire using a Likert scale (1 = Strongly Disagree to 5 = Strongly Agree). The questionnaire consisted of 45 items covering the four research variables. Secondary Data: Obtained from the Sambas District Social Services Agency, including KPM profile data, number of recipients per programme, and programme achievement data.

C. RESULTS AND DISCUSSION

Respondent Characteristics

Of the 50 respondents studied, the demographic characteristics were as follows:

1. Gender: 64% female, 36% male
2. Age of Head of Household: Average 48 years (range 25-68 years)
3. Education: 56% primary/junior high school, 36% senior high school, 8% university
4. Occupation: 58% farmers/agricultural labourers, 22% traders, 20% other occupations
5. Number of dependents: Average of 3.8 people per family
6. Programmes Participated In: 86% PKH, 74% PBI-JK, 52% PIP

Outer Model Results (Measurement Model)

The validity and reliability testing of the instrument showed satisfactory results:

Convergent Validity:

1. All indicators have a loading factor > 0.70
2. Central Government Assistance: 0.78-0.86
3. Implementation Quality: 0.75-0.84
4. Financial Behaviour: 0.72-0.81
5. Family Welfare: 0.76-0.85

Discriminant Validity (AVE):

1. Central Government Assistance: 0.68
2. Implementation Quality: 0.62
3. Financial Behaviour: 0.58
4. Family Welfare: 0.64

All AVE values > 0.50, indicating that discriminant validity is met.

Reliability:

1. Composite Reliability for all constructs: 0.82-0.88
2. Cronbach's Alpha: 0.78-0.85

All values above the threshold of 0.70, indicating that the instrument is reliable.

Inner Model Results (Structural Model)

Hypothesis testing using path coefficients and t-statistics:

Table 2. Hypothesis Testing

Path (Hypothesis)	Coefficient	t-statistic	p-value	Results
H1: BPP → Welfare	0.425	3.102	0.002	Accepted
H2: Implementation Quality → Well-being	0.362	2.751	0.006	Accepted
H3: Financial Behaviour → Well-being	0.310	2.485	0.014	Accepted

Coefficient of Determination (R²):

R² for Family Welfare: 0.711. This means that 71.1% of the variation in family welfare is explained by the three independent variables; 28.9% is explained by other factors outside the model.

Effect Size (f²):

BPP: 0.31 (large)

Implementation Quality: 0.18 (moderate)

Financial Behaviour: 0.13 (moderate)

Discussion

The Effect of Central Government Assistance on the Welfare of Beneficiary Families

The results of the study indicate that Central Government Assistance has a positive and significant effect on the welfare of beneficiary families, with a path coefficient of 0.425 ($t = 3.102$; $p = 0.002$). This finding means that the greater and more consistent the assistance received by beneficiary families, the higher their level of welfare.

The explanation for this finding is:

1. The BPP provides direct consumption support that reduces the financial burden on KPM in meeting basic needs for food, clothing and shelter.
2. With reduced short-term economic pressure, KPM have greater opportunities to invest in their children's education and family health.
3. The consistency of aid receipt creates predictability in household financial planning.

These findings are consistent with the research of Alatas et al. (2016) and Suryahadi (2019), which shows the positive impact of cash assistance programmes on poverty reduction and improved welfare of poor households in Indonesia.

The Effect of Programme Implementation Quality on the Welfare of Beneficiary Families

The quality of programme implementation was found to have a positive and significant effect on KPM welfare, with a path coefficient of 0.362 ($t = 2.751$; $p = 0.006$). This indicates that programmes that are well implemented, transparent, targeted and efficient provide greater benefits to KPM.

Interpretation of findings:

1. The accuracy of the programme's targeting ensures that assistance is received by the families most in need, thereby increasing the programme's effectiveness.
2. Transparency in the aid distribution process reduces corruption and misuse of funds, ensuring that aid reaches recipients in the amounts specified.
3. Efficiency in the administrative process reduces KPM transaction costs in accessing the programme, increasing the net benefit received.
4. Public trust in the programme increased when implementation was carried out in an accountable manner, encouraging active participation by KPM in the programme.

These results are in line with Grindle's (1980) perspective on implementation, which states that the quality of programme implementation is a critical factor in achieving public policy objectives.

The Influence of Financial Behaviour on the Welfare of Beneficiary Families

Financial behaviour shows a positive and significant influence on the welfare of KPM with a path coefficient of 0.310 ($t = 2.485$; $p = 0.014$). Although the magnitude of the influence is slightly smaller than the other two variables, financial behaviour still makes an important contribution to welfare.

Explanation of these results:

1. KPMs who have good financial behaviour are able to plan their spending, save (even small amounts), and allocate funds for productive needs—they can maximise the benefits of the assistance they receive.
2. Saving and investing in education create a long-term multiplier effect on family welfare.

3. Self-control in consumptive spending allows for more optimal allocation to priority needs.

These findings are consistent with the research by Luis & Nuryasman (2020), which shows that appropriate financial behaviour improves household financial welfare. However, it should be noted that the influence of financial behaviour is smaller than the influence of assistance and programme implementation, indicating that without support and good implementation, good financial behaviour alone is not enough to improve welfare.

Simultaneous Influence and Policy Implications

Together, the three independent variables explain 71.1% of the variation in family welfare, indicating an excellent model for explaining the determinants of KPM welfare. The synergy between:

1. Adequate financial support (BPP)
2. Quality distribution mechanisms (programme implementation)
3. Prudent financial management (financial behaviour)
4. result in a significant positive impact on family welfare.

D. CONCLUSION

This study shows that efforts to improve the welfare of beneficiary families (KPM) in Sambas Regency are greatly influenced by three main factors, namely Central Government Assistance, the quality of programme implementation, and the financial behaviour of KPM. The results of the SEM-PLS analysis confirm that government assistance has a positive and significant effect on family welfare, so that the greater and more consistent the assistance received, the greater the ability of families to meet their basic needs. The quality of programme implementation has also been shown to play an important role in determining the effectiveness of assistance. Transparent, targeted and efficient implementation can significantly increase the benefits of the programme for KPM. In addition, good financial behaviour also contributes to the achievement of family welfare. KPM who are able to manage assistance wisely tend to have a greater long-term impact on the stability and economic resilience of their households. Simultaneously, these three variables contribute significantly to variations in family welfare, indicating that welfare is not only determined by the amount of assistance, but also by the quality of programme implementation and the capacity of families to manage the resources they receive. These findings confirm that the synergy between adequate financial support, quality programme implementation, and sound financial behaviour is key to the success of social assistance programmes in improving the welfare of the poor, especially in border areas such as Sambas District.

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