



*Study of the influence of village funds utilization on the development
Of pujananting village, barru regency in Indonesia*

Ahmed Benyahia Rabia*

University of Djilali
Bounaama khemis miliana,
(Algeria)

rabiebenyahia33@yahoo.com

Irmah Halimah Bachtiar

University of Indonesia
Timur, (Indonesia)

irmahalimah@gmail.com

Ela Elliyana

University of Indonesia
Timur, (Indonesia)

elaelliyana82@gmail.com

Charfi samiya

University of Djilali
Bounaama khemis,
(Algeria)

s.charfi@univ-dbkm.dz

Abstract ;

The government is trying an attempt to create villages through the utilization of Village Funds; however there are still some Village Heads who misuse the Village Fund so that it can have an impact on village development. This study aims to determine the effect of using village funds to the development of Pujananting village in Indonesia. The method used in this study was the analytical descriptive approach. The data collection method used was a questionnaire technique that was distributed to 100 people from Pujananting Village. Data were analyzed using SPSS (Statistical Package for the Social Sciences) analysis tools. The results showed that the utilization of village funds had a positive and significant effect on the development of the Pujananting village of Barru regency.

Article info

Received

06/08/2021

Accepted

23/11/2021

Keyword:

- ✓ Village Funds.
- ✓ Village Development.
- ✓ Community.

* Corresponding author

1. Introduction

We dream of a world where all children, girls and boys alike, have access to education and no child needs to work to keep their families alive.

There is no single cause of poverty. It is complex and is the result of many interrelated social and economic barriers. By fighting a single factor, regardless of the money and resources invested, the cycle of poverty will persist.

The development of a village generally starts with the presence of somebody who has an enormous impact on the individuals around him as a compelling individual can move numerous individuals around him to be his devotees and supporters. In this way, the "Big Man" at that point welcomes his "Devotees" to open woods or void land territory to fill in as another local location for his supporters or devotees. Together, they at that point live in the new settlement region, which is referred to as the term village.

Over the past 20 years, the problem of local development has changed considerably. Although local development continues to identify the flexibility available to local actors to influence content and development trends at the scale of their urban neighbourhoods, cities. However, that the issues, challenges and terms of reference have changed.

In Europe, the authors speak mainly of local development which occurs at the territorial level, that is, the environment is considered as a factor of development. While in the United States and Canada, much more is written about community development, based on social relations and the strong participation of local actors.

We observe in several countries, local development is managed by a set of institutional and non-institutional managers, the benefits of successful local development makes the currency to an institutionalized practice in many facets. The State places local development as an extension of its territorial planning and regional action powers.

The village community is anticipated to transform economically, socially, and culturally as a result of the independent management of village funds.

Village funds are directly linked to community needs for improving welfare and rural development.

Village funds are provided by the government for the benefit of the community in meeting their daily requirements, and are mostly used for physical and non-physical development.

Based on the description above, the formulation of the problem in this study is as follows:

What is the effect of using village funds to the development of Pujananting village in Indonesia?

Previous studies:

Many studies have looked into the Indonesian government's policy to manage village funds in order to enhance village development.

In Gorontalo Regency (Farid Th. Musa, 2020) attempted to investigate the actuality of village funds. They discovered that some sectors have been misuse this fund.

In their research (Bustaman, 2018) they picked the central Aceh Regency. They focused on village governments' performance in managing financial resources, which they found to be usually quite good.

(Ifrani, 2019) interested by the reality between law in the book concerning village fund program and the corruption cases.

On the side of the impact of the village funds on regional and rural development, we have a study of (Habib Muhsin Syafingi, 2020) who used pattern of village fund and find the village fund optimization strategy for rural community welfare in Indonesia.

(Faizal Amanda Nasution, 2017) They investigated the function of village funds in regional development in the West Bilah sub-district and discovered that village funds play a role in this region's growth.

On the other hand, studies on village funds policy and its influence on poverty are underway. We have (Satria Aji Imawan, 2020) who attempted to analyze the village funding program in Indonesia and its effects on poverty. They discovered that while the development of village amenities, infrastructure, and community empowerment programs has risen, but the village fund's equalization and use has remained an issue.

Likewise (Dian Dewi Rachma, 2019) revealed that the contribution of village fund policies had a substantial influence on poverty and village income inequality. (Muhammad Amir ARHAM, 2020) focused on Village Fund Transfer and its effect on rural income inequality and rural poverty. This study revealed the significance of village fund transfer in suppressing the rural poverty rate.

Village development is one of the researchers' interests. They tried to find alternative village development models like formulate smart village model (Susy Ella, 2018) or develop a strategy of village self-sufficiency (Nurman, 2018), which help to reduce waste and corruption as well as the burden of costs borne by the community.

In general, previous studies have shown interest in studying the effect of village funds on Village development and eliminate corruption and poverty, depending on analyzing the reality and case studies. The greater part of these studies agreed on the big influence of village funds on Village development.

The objective of this article is to investigate the effect of using village funds on the development of Pujananting village in Indonesia, and to achieve this objective, we developed the following hypotheses:

- **Hypothesis** : village funds have a significant relationship with village development in Pujananting.

2. Theoretical framework

Indonesia is a unitary state in the form of the Republic consist of several provinces, cities/regencies, and below cities/regencies consisting of several villages. The village is the smallest part of the government structure in Indonesia, the village has the authority to plan

development to advance and improve the welfare of the community, and the village government is the closest and most knowledgeable of the culture of the community (Syamsi, 2014).

The Republic of Indonesia has just eight provinces; in 2014, this number had ascended to 33 provinces, 396 districts, and 102 cities.

As indicated by the Indonesian Ministry of Internal Affairs information from the codebook and information of administrative regions of provinces, districts, and sub-districts throughout Indonesia in 2013, there are 72,944 administrative areas and 8309 sub-district administrative areas in Indonesia, with a sum of 81,253.

Village and regional development have become the government's top priority. Development that initially only revolved around the capital, will be tried to be more leveled throughout Indonesia, including villages. Law Number 6 of 2014 concerning Villages explains that villages in 2015 receive funding of 10% of the State Budget (APBN). Funds that enter the village are called Dana Desa (Fahri, 2017).

Potential village issues in Indonesia have the similarities and characteristics of both human resources and the characteristics of the region. As a rule, the spirit of "gotong-royong" inspiration has started to vanish with the apathetic consumptive culture liking to focus on the necessities of life, wellbeing, training, food, lodging, and different types of seeds, hardware including funding. Second, the field of business is smaller, the information and aptitudes had are extremely restricted, the growth of the natural population is increasing, the opportunity to control the land is increasingly restricted, and the marketing of the product is uncertain. Third, there is a tendency of skilled labor to have an absence of advance for village living because of infrastructure problems and limited markets and banking. Fourth; areas of land controlled by the plantation company on the one hand, and the different needs consumer goods and productive goods such as tools used by companies imported from outside the village on the other hand.

Fifth, the village doesn't get any piece of the expense or other foresters from the organization domiciled in its region.

Six, the event of the condition of the population of productive age is higher than the non-productive age. The productive age is between 15 and 65 years old, while the non-productive age is under 14 years and more than 66 years old.

Village funds are funds sourced from the state budget (APBN) which are intended for villages in accordance with Government Regulation No. 60 of 2014 to finance village administration, development implementation, community development, and community empowerment (Ekasari, 2020). The government also prepares a very large budget for each village. In fact, every year always increases.

Development is defined as a process of planned change that involves the role of the state and occurs in people's lives. Development is a process of reorganization and renewal of all economic and social systems and activities in the welfare of people's lives. Welfare is characterized by prosperity, which is an increase in income. The success of the development is also measured by the amount of will and ability to be independent, namely the willingness of the community to create, preserve, and develop development results (Purwaningsih, 2008). The

development aims to create sustainable social and economic progress with the principle of justice for the entire community. Some important components of the development aspects, among others (a) economic development, (b) physical and social development, (c) environmental development, and (d) institutional development (Adisasmita, 2006).

Seeing the current village development, the Indonesian government plans to change the direction of the use of village funds. If all this time village funds have only been used to fulfill infrastructure development projects, the following year village fund allocations will be widely used for the development of rural tourism (Indonesia, 2019). The changes to the plan that will be made are of course to continue development so that it will have more impact on the community. If this change is realized then it can be said that the government considers the village funds used for village development so far to be well utilized or optimal so it needs to be allocated to other fields. But on the other hand, the discovery of 2 (two) Village Heads indicated was a suspect in the case of misuse of village funds in Barru regency (News, 2019), causing problems for the village's development.

The increasing amount of village funds and the discovery of several cases in Barru District, certainly becomes a question and problem whether the village funds received by the village government have been channeled effectively and have a significant impact on the village, especially if you see some villages in Barru Regency still need to develop the village including in Pujananting village.

There is today a force to replace the New Order's centralistic and uniform system with local-level organizations that are solid, responsive, and effective. People across Indonesia are advancing another worldview, based on local knowledge, autonomy, and sustainable and equitable development.

the present government is promoting a far-reaching and radical process of decentralization and regional autonomy—codified in Law 22 of 1999 on Regional Governance and Law 25 of 1999 on the Fiscal Balance between the Centre and the Regions—which is pushing poverty alleviation and rural development schemes down to provinces and districts.

According to the logic of Law 5/1979, the two pillars of the New Order—economic development and national stability—could be accomplished just if the center was in full control of the supervising village government.

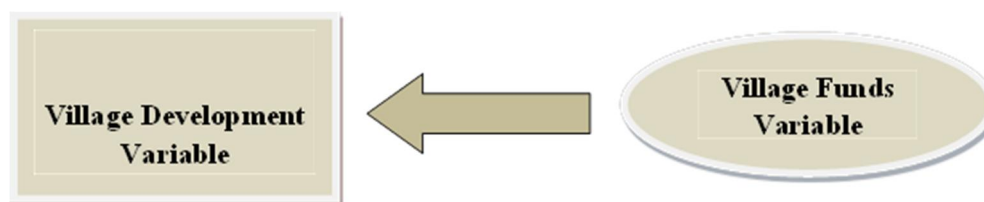
To 'sustain development in all sections across Indonesia and to achieve prosperous society for the people of Indonesia there is a need to strengthen village government' (Law 5/1979, Elucidation, section 1.3).

3. Methods and Materials:

3.1 The Study Model

According to this study, which focuses on people in Pujananting Village, we used the Utilization of Village Funds Variable as the independent variable, on the other hand, the Village Development Variable as the dependent variable; the research theoretical structure is thus formed; shown as the figure (1):

Fig.1. the study model



Source: prepared by the researchers

3.2 Research methodology

We chose a descriptive strategy with a quantitative approach by examining the relationship between variables to achieve the goals of this exploratory study. We used numerous statistical tests, such as the Pearson correlation test and simple regression analysis, to evaluate the study's hypotheses.

We utilized a case study as a research strategy, which included an empirical investigation in Pujananting Village, Pujananting District, Barru Regency, South Sulawesi (Indonesia).

3.3 Sample and data collection

In our case study, we used a random sampling technique. The sample size is 100 people of Pujananting Village.

In terms of the study tool, we have adopted a self-administered questionnaire to collect and analyze data that will help to find answers to the problem of the study.

Data were analyzed using SPSS (Statistical Package for the Social Sciences) Version 23.

3.4 Instrument Reliability and Validation

Reliability: In this study, we used Cronbach's alpha to measure the internal consistency, and as its values (table 1) for all the constructs of our study are more than 0.7, so we conclude that the scales can be applied for the analysis with acceptable reliability.

Table 1. Cronbach's coefficient alpha

construct	Cronbach's alpha
Village funds statement	0.89
Village development statement	0.78

Source: prepared by the researchers based on spss output.

Validity: Expert judgment and an extensive literature search are used to verify content validity, which is a non-statistical assessment of validity.

An original version of the instrument was pre-tested with many academics in order to determine content validity.

4. Results and discussion

4.1 General Information about the Respondents

This section summarizes the study's sample, including the frequencies and percentages of respondents based on their demographic characteristics (gender, age, profession).

Table 2. Frequencies and Percentages of Respondents

measure		Frequency	percent
Gender	Male	63	60
	Female	37	40
	Total	100	100
Age	17-28	27	27
	29-39	25	25
	40-50	39	39
	51-70	9	9
	Total	100	100
Profession	village office staff	21	21
	civil servants	4	4
	temporary employees	2	2
	entrepreneurs	11	11
	farmers	25	25
	Housewife	23	23
	head of household	2	2
	teachers	2	2
	Traders	1	1
	Students	6	6
	nurses	1	1
	public transport drivers	2	2
	Total	100	100

Source: prepared by the researcher based on SPSS output.

4.2 Hypothesis Test

According to the table 3:

Table 3.correlation between variables

	Village Development variable	
	Pearson correlation	signification
Village funds variable	0.505	0.000

Source: prepared by the researcher based on SPSS output

As shown in table 3 and concerning our hypothesis which is based on, that has a significant relationship between the village funds variable and the village development variable in Pujananting, we found that the correlation between these two variables is significant ($R = 0.505$; $\text{sig} = 0.000$).

4.3 Discussion of the Findings

The findings of the simple regression analysis are shown in the table below, where the village funds are the independent variable and the village development is the dependent variable.

Table 4. The simple regression analysis

variables	Beta	T	Sig.	R ²	F	Sig.
constant	62,354	5,094	0.000	0,255	628.411	0.000
Village funds	1,510	5,785	0.000			

a. Dependent Variable: Village Development

The source: prepared by researchers based on SPSS output

Based on the estimation results above, the village development equation can be seen as follows:

$$Y = a + bX \rightarrow Y = 62,354 + 1,510X + e$$

Information:

Y = Village Development Variable

a = constant

b = Regression coefficient

X = Variable Utilization of Village Funds

From the above equation, it has been shown that the village funds variable (independent variable) has a positive and significant effect on the variable of village development (the dependent variable) (look at Table 4).

The slope parameter (1,510) indicates the average change in the variable of village development associated with a 1 unit increase in the variable of village funds.

The results of the above study also show the relationship between the independent variable and the dependent variable, where R-square estimation (0.255) means that village funds explain 25.5% of changes in the variable of village development while 74.5% of changes return to other variables.

Overall, from the results of the study, there is an increasing impact felt by the village community with the development of the village in the form of physical or social facilities and infrastructure built from the allocation of village funds. However, the utilization of village funds used for village development has not been optimal, this can be seen from the existence of several village officials, in this case, the village head in Barru Regency who is still misusing village funds so that the utilization of village funds for village development has not been carried out optimally.

According to the results above, it can be said that village development is very largely influenced by other factors, for example, HR. Lack of number and competence of village officials can

cause problems in the accountability of the financial administration of Village Fund Allocation. The low accountability of financial administration has become one of the objects of corruption by the village head/apparatus. This is evident from the case found in Barru regency that there were two Village Heads who were indicated as suspects in the case of misuse of village funds. One of the causes of corruption is the lack of supervision and openness in the administration of the village government (Rahman, 2011).

Based on this case, the village funds used for village development were only around 25.5%. This needs special attention because there can be a miss communication between work units both within the village government internally, the government with the community, and the government and stakeholders. To minimize the occurrence of misuse of village funds it is necessary to improve coordination between work units and create a budget for reserve funds.

5. CONCLUSION

Based on the analysis of the data that has been done, it can be concluded that the use of village funds has a positive and significant impact on the development of the Pujananting village in Barru regency. This means that there is an increasing impact felt by rural communities with the development of villages from the allocation of village funds. However, the utilization of village funds for village development can be said to be not optimal, because it is still found that the allocation of village funds used is not yet effective and maximum.

Basing on the findings that stemmed from this study we exhibit the following recommendations:

- all village heads carry out village work programs to maximize the use and allocation of village resources in order to achieve village development goals.
- the village government must make the development planning and management of village finances as well as possible.
- To optimize village development through the Village Fund Allocation program, training is needed for village officials, providing adequate facilities, and monitoring and evaluating the administration (accountability). The provision of training can later improve the quality of work of the village apparatus and increase development with an understanding of the proper use of village funds that must be done by the village apparatus.
- The success of the village fund budget program for village development requires an increase in the administrative capacity of village officials, a system of strict sanctions for violations, and an increase in community awareness in financial supervision.

6. Bibliography List :

1. Adisasmita, R. (2006). Building a Participatory Village. *Yogyakarta: Graha Science*.
2. Bustamam, E. A. (2018). A Performance Analysis of Village Fund Management: A Case Study in Lut Tawar District – Indonesia. *Journal of Accounting Research, Organization and Economics*, 01(02), 112-121.
3. Dian Dewi Rachma, R. P. (2019). Government Expenditure, Poverty And Income Inequality In Indonesia: New Evidence From Village Funds. *INTERNATIONAL JOURNAL OF SCIENTIFIC & TECHNOLOGY RESEARCH*, 08(08), 38-42.
4. Fahri, L. N. (2017). The Effect of Village Fund Policies on Village Financial Management in Increasing the Effectiveness of the Village Development Program. *Public Journal*, 11(01).
5. Faizal Amanda Nasution, E. S. (2017). The Role of Village Funds to the Development Area in the Sub-District of West Bilah, Labuhanbatu Regency, North Sumatera, Indonesia. *International Journal of Progressive Sciences and Technologies (IJPSAT)*, 06(01), 221-227.
6. Farid Th. Musa, Y. R. (2020). REALITA AND THE VILLAGE FUNDS IN INDONESIA. *International Journal on Integrated Education*, 03(XII), 158-164.
7. Habib Muhsin Syafingi, D. A. (2020). VILLAGE FUND OPTIMIZATION STRATEGY FOR RURAL COMMUNITY WELFARE IN INDONESIA. *Journal of Critical Reviews*, 07(07), 580-583.
8. Hamzah, A. (2015). Village Governance Towards Independent, Prosperous and Participatory Villages. Surabaya, Indonesia: Reader.
9. Ifrani. (2019). The 5th International Conference and Call for Paper Faculty of Law 2019. In S. A. University (Ed.), *The Village Fund As Indonesian Social Welfare Program: The Gap Between Regulatory And Practice (A Study On Penal Perspective)*, (pp. 367-375).
10. Indonesia, C. (2019). *the Government will Change the Direction of Utilization of Village Funds in 2020*. Retrieved 09 28, 2019, from <https://www.cnnindonesia.com/ekonomi/20190816174300-532-422071/pemerintah-akan-ubah-arah-pemanfaat-dana-desa-di-2020>
11. Mark saunders, P. I. (2009). *research methods for business students* (5 ed.). Pearson Education Limited.
12. Muhammad Amir ARHAM, R. H. (2020). Does Village Fund Transfer Address the Issue of Inequality and Poverty? A Lesson from Indonesia. *Journal of Asian Finance, Economics and Business*, 07(10), 433-442.
13. News, N. (2019). *Barru police chief: There are already 2 village heads are indicated as suspects and while the investigation process*. Retrieved from <https://nusantaranews86.com/25789/kapolres-barru-sudah-ada-2-kepala-desa-diindikasi-jadi-suspect-and-provisional-i>
14. Nurman, R. R. (2018). Strategic Development Towards a Self-Sufficiency Village in Indonesia. *Revista ESPACIOS*, 39(42), 38.
15. Purwaningsih, E. (2008). Community Participation in Village Development. *Jantra Journal*, 03(06), 443-452.
16. Rahman, F. (2011). Corruption at the Village Level. *Journal of Governance*, 02(01), 13-24.
17. Saputra, I. W. (2016). Effectiveness of Village Fund Allocation Management in Lembean Village, Kintamani District, Bangli Regency in 2009-2014. *Journal of Economic Education (JJPE)*, 06(01).
18. Satria Aji Imawan, E. A. (2020). Governing Village Fund in Indonesia: Is It Erradicating Poverty? *Policy & Governance Review*, 04(03), 14-27.
19. statistics solutions. (n.d.). Retrieved 12 10, 2018, from <https://www.statisticssolutions.com/directory-of-statistical-analyses-reliability-analysis/>

20. Subroto. (2009). *Accountability of Village Fund Management (Case Study of Village Fund Allocation Management in Villages in the District of Tlogomulyo District, Temanggung Regency in 2008*. Semarang: Diponegoro University.
21. Sudaryono. (2017). *Research Methodology*. Tangerang, Indonesia: Rajawali Press.
22. Susy Ella, R. N. (2018). Developing a Smart Village Model for Village Development in Indonesia. *IEEE, 03(18)*, 978.
23. Syamsi, S. (2014). Community Participation in Controlling the Use of the Village Fund Budget. *Journal of Social and Political Sciences, 03(01)*.

7. Appendices

Questionnaire Of The Utilization Of Village Funds In Village Development That Influence The Welfare Of The Pujananting Village Community Pujananting District In Indonesia

Instruction:

1. SA = Strongly Agree
2. A = Agree
3. N = Neutral
4. DA = Do not agree
5. SD = Strongly Disagree

No.	Description	Response					Total Score
		5	4	3	2	1	
		SA	A	N	DA	SD	
1.	Pioneering village roads is very beneficial for road users, especially the Pujananting village community.						
2.	The construction of weirs and irrigation through the use of village funds and the allocation of village funds helps agricultural waters and community plantations.						
3.	The construction of clean water pipelines through the APBDes program has a very positive impact on the community.						
4.	The rehabilitation of the village office hall and village office was very beneficial.						
5.	The construction of village sanitation and hygiene facilities through the APBDes program is very helpful in maintaining public health.						
6.	The Utilization of village funds and village allocations in the construction of buildings in Pujananting village has a very positive impact on the community, especially for people who have early childhood.						
7.	Pioneering farm roads is very beneficial for farming communities and planters.						
8.	The construction of concrete rebates is useful for improving people's access to a place and this development is very useful.						
9.	By doing rehabilitation on the soccer field, people are more comfortable exercising than						

	before the rehabilitation.						
10.	With the kamling post, it can improve environmental security.						
11.	Healthcare Center development provides convenience for the community in health services and family planning						

No	Description	Response					Total Score
		5	4	3	2	1	
		SA	A	N	DA	SD	
1.	The village fund program helps village development in Pujananting village						
2.	Pujananting village community participates in realizing development in the village.						
3.	If our land is chosen as a village development site we will agree.						
4.	When we are invited to a village council meeting for a development plan, we will be present to participate.						
5.	I will work together to help the progress of physical and non-physical development.						
6.	Our traditional culture is so strong that it refuses to do village development in Pujananting village .						
7.	I doubt the development that is done will not work.						
8.	The village fund budget and the annual allocation of village funds are not fully sufficient for development in Pujananting village.						