THE UTILIZATION OF VILLAGE FUNDS DURING THE COVID-19 PANDEMIC AND THE IMPACT ON COMMUNITY WELFARE IN KLUNGKUNG REGENCY

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Abstract

The Village Fund Program is a central government program to improve the welfare of rural communities. Each village received a relatively large amount of village funds. However, after their Covid-19, the village funds were diverted to handling the Covid-19 problem. Village funds distributed by the government in general aim to improve the welfare of rural communities due to the unequal welfare conditions between people in rural areas and urban areas. Thus, the village fund program is also expected to eradicate the poor in rural areas. Besides, it is following sustainable development goals (Sustainable Development Goals). /SDGs). The objectives of this research are 1) To analyze the significance of differences in the use of village funds before and after the outbreak of the Covid-19 pandemic in Klungkung Regency; 2) to analyze the effect of using village funds in 2020 after the Covid-19 pandemic on the welfare level of villagers in Klungkung Regency.

This research was conducted in Klungkung Regency, especially Klungkung mainland, with the classification of respondents of 3 village officials, 3 village community members, and 1 village community leader. Hence, the respondents in each village are 7 people. The number of villages on Klungkung mainland is 37 villages. Thus, the total number of respondents was 259 people throughout Klungkung Regency. The number of respondents was determined by quota sampling. The sampling technique used was accidental sampling combined with snowball sampling, which was included in the non-probability sampling. For respondents, the village apparatus used probability sampling in each village. In addition, purposive sampling was used for the required informants. Data collection methods were observation, interviews, and in-depth interviews, using descriptive statistical data analysis techniques, regression analysis, and average difference test.

The results of the analysis showed that: 1) There was a significant difference in the use of village funds in 2019 and 2020 during the pandemic. In 2020, the use of village funds prioritized handling the Covid-19 pandemic. While the use of village funds in 2019 was used for village administration, village development, community development, and community empowerment; 2) There was a significant positive effect on the use of village funds in 2020 during the Covid-19 pandemic on the welfare level of the population in Klungkung Regency.

Keywords: village funds, empowerment, Covid-19, poverty level
INTRODUCTION

In general, poverty has always been a problem faced by developing countries, including Indonesia. The government is very aware that if a country still has poor people, it can reflect that its economic development has not been received by the whole community. This condition will cause income inequality between one region and another, or inequality in one region, where there are residents who have experienced prosperity. However, some have not been able to achieve this welfare. In such conditions, the role of the government becomes very important to be able to create equitable development that will lead to equitable distribution of income for the community. Thus, there is no income inequality between communities or between regions. One of the problems that the central and local governments focus on reducing is poverty and income inequality. The unequal distribution of income in a country or region is a cause of poverty in that region (Todaro & Smith, 2006). Thus, efforts that can be made by the government as the people in charge of the welfare of the community are to reduce the income gap between regions, one of which is between rural and urban areas. The village fund program which was started in 2015 was intended by the government to reduce income disparities between rural and urban areas. So, it is expected that income distribution will be more equitable because rural communities that have low incomes or poor people can increase their income through the village fund program.

The priority for using village funds is in community economic empowerment activities. This program is very important considering that human resources are the most important production factor in the creation of goods and services (Amir & Hatu, 2020). If these human resources can be utilized and empowered functionally, professionally, and optimally in a production process by combining them with other production factors, it will contribute to producing goods and services to provide welfare for them (Effendie, 2016). The government is very aware that the empowerment program can improve the quality of human resources in rural areas. Hence, they are expected to be able to improve their welfare or be able to get out of the poverty trap.

The use of village funds as previously explained as capital assistance for productive economic development is following the Harrod-Domar Theory, in which the capital formation is seen as an expenditure that will increase the ability of an economy to produce goods and services, as well as an expenditure that will increase the effective demand of the whole community (Sukirno, 2007). Therefore, government spending in the form of village fund programs will be able to increase the purchasing power of rural communities to increase effective demand which can expand job opportunities that will ultimately increase the income of rural communities.

The spread of the Covid-19 pandemic has diverted all or part of the village funds in the village fund program for handling the Covid-19 pandemic through various underlying regulations. Permendesa (Ministry of Villages, Development of Disadvantaged Regions, and Transmigration Regulation) and PDTT (Purposeful Examination) No. 13 of 2020 regulate the priority of using the Village Fund in 2021, which WAS still related to the handling of the Covid-19 pandemic. Likewise, the use of village funds in 2020 had been prioritized for handling the Covid-19 pandemic, where the activities WERE in the form of Covid-19 response villages, Village Cash Intensive Work (PKTD), and Village Fund Direct Cash Assistance (BLT). Covid-19 Safe Village is a condition of village life that remains productive during the Covid-19 pandemic with the discipline of residents implementing health protocols. Village
Fund Direct Cash Assistance (BLT) is an activity to provide direct assistance in the form of cash funds sourced from the Village Fund to beneficiary families with agreed criteria and decided through village meetings. Permendesa PDTT No. 13 of 2020 also continues to underline the existence of the Village Cash Work Unit (PKTD), which as understood is an activity to empower rural communities, especially the poor and marginalized, which is productive by prioritizing the use of resources, labor, and local technology to provide additional income, reduce poverty, and improve people's welfare. Hence, the transfer of village funds, which were previously prioritized for village development and empowerment of rural communities, was used for handling the Covid-19 pandemic in 2020 and including in 2021. Thus, a study on the achievement of the objectives of the village fund program is important to conduct during the Covid-19 pandemic.

Information on how to use village funds in 2020 is about whether it was under the Attachment to the Village Regulation, PDTT No. 13 of 2020 had not yet available. So, an evaluation of the achievement of the purpose of using village funds in 2020 was very important to do in order to fill the information gap. In other words, this information gap has prompted the research team to conduct this study related to the use of village funds in 2020. Based on the background that has been presented previously, the research objectives can be formulated as follows, 1) Analyzing the significance of differences in the use of village funds between before and after the outbreak of the Covid-19 pandemic in Klungkung Regency; 2) Analyzing the effect of using village funds in 2020 after the Covid-19 pandemic on the welfare level of villagers in Klungkung Regency.

LITERATURE REVIEW

Village Funds are State budget funds designated for Villages which are transferred through the State General Treasury Account (RKUN) to the Regional General Treasury Account (RKUD) and registered in the RKUD. It is prioritized for community development and empowerment, to improve public services in the village, alleviate poverty, advance the village economy, and overcome the development gap between villages. The Village Fund as stated in the concept or definition in Chapter 1 Article 1 of the Village Regulation, PDTT No. 13 of 2020 is a fund sourced from the state revenue and expenditure budget intended for the Village which is transferred through the district/city regional revenue and expenditure budget and used for finance the administration of government, implementation of development, community development, and community empowerment. The use of village funds in 2020 as stated in the Appendix to the Village Ministerial Regulation PDTT No. 13 of 2020 states that the Use of Village Funds in 2020 has been prioritized for handling COVID-19. The activities are in the form of a Covid-19 response village, Village Cash Work Intensive, and Direct Village Fund Cash Assistance.

In the village fund program from development theory and economic growth theory, funds given to villages can be seen as the most important production factor for a production process. The last cause of increased productivity according to Adam Smith is capital. Thus, if it is associated with the village fund program, it can be considered a village receiving village funds. There is an increase in additional capital in the village. In addition, with the empowerment program, there is an increase in work skills for rural communities. Thus, it is following Adam Smith's theory. Malthus stated that the accumulation of capital will increase the demand for labor which will increase the welfare of the people because they obtain income because they work. Harrod-Domar stated the key role of investment in the process of economic growth; First, that investment creates income, and second, investment can increase the productive capacity of the economy by increasing the capital stock (Jhingan, 2008). This theory
is also following the village fund program which provides additional capital in this case in the form of funds. Thus, the village can carry out its activities or production processes, including increasing the empowerment of rural communities.

Various studies have been carried out on the existence of these village funds. Haryanto (2015) argued that village funds have extraordinary potential in an effort to accelerate village growth and development to overcome various problems such as poverty, inequality, and unemployment. Community participation, intellectual capital, and the role of the government are variables that significantly affect the use of village funds (Diatmika et al, 2019). Another study concluded that the village fund program in Mendoyo District, Jembrana Regency, Bali Province had a positive and significant effect on village development and village community empowerment (Wijaya & Marhaeni, 2019). Economic empowerment that is carried out or given to people who are classified as poor or people with low incomes will be able to accelerate the reduction of poverty. People with low incomes can increase their income by increasing their skills through empowerment activities carried out by the Government (Attibrizi et al., 2016). Empowerment activities provided to rural communities have encouraged an increase in the number of small-scale entrepreneurs who support the village economy (Arifin et al, 2021).

The development of adequate infrastructure availability in the village can also be realized because of the village fund. According to research conducted by Permatasari et al (2021), village funds have played an important role in increasing the accessibility of rural communities through the provision of adequate infrastructure. Research conducted by Dwiyanti et al (2020) also showed the impact of village funds in addition to being able to improve the welfare of rural communities. the existence of village funds also increases the amount of infrastructure available in the village. The existence of infrastructure can encourage village communities to get out of a state of powerlessness due to the unequal access that still occurs in the village. It distresses them to be involved in development because they feel weak about power and privilege (Udjianto et al, 2021). The openness of access for rural communities also provides opportunities for rural communities to get out of poverty. Yazid et al (2019) showed the findings in their research, that village funds can significantly reduce the poverty rate of rural communities. Empowerment programs are given to farmers in villages in Thailand in the form of capital assistance, and with the capital assistance received by poor farmers, they can improve their welfare better (Fongthong & Komsan, 2014; Boonperm et al., 2017).

In addition to the results of research that have a positive impact on the welfare of the use of funds, there are also studies where the village funds have not had the expected impact. It is because the quality of the human resources of the apparatus is constrained by those who have not been able to manage village funds properly (Sutiyono et al., 2018; Simangunsong & Wicaksono, 2017; Afifah et al., 2017). Research conducted by Kadafi et al (2020) showed that indeed village funds can reduce poverty in villages by improving access to education. Yet, the reduction in poverty that occurs is very small and insignificant. Other research also showed that village funds aimed at reducing poverty have not been able to have a significant impact on the village economy in Indonesia because the pattern of development that occurs is still exclusive and has not led to inclusive development. Thus, although there has been a reduction in poverty in some findings, village funds have not been able to encourage a decrease in income inequality in rural communities (Ernawati et al., 2021; Handayani & Badrudin, 2019; Rimawan & Alwi, 2019). The results of this study are then also supported by the results of research from Badrudin et al (2021) that village funds still do not have a big impact on improving the welfare of rural communities, which is indicated that village funds harm community welfare.
RESEARCH METHOD

This research used a quantitative research design or a scientific approach. In general, there are 2 research designs, namely quantitative and qualitative (Sekaran & Bougie, 2010), and current developments are not only quantitative and qualitative research designs but also mixed research designs (Creswell, 2010). In this research, a quantitative research approach or design was used. Some qualitative information would be added to the discussion. This research was conducted in Klungkung Regency, especially in mainland Klungkung with a total of 37 villages. In each village, a quota was sought for 7 respondents, namely 3 village officials, 3 community members, and 1 community leader. Thus, the total number of respondents was 259 people.

There were 2 types of data used in this study, namely quantitative and qualitative data (Sekaran & Bougie, 2010). Quantitative data used included income, number of dependents, and the age of the respondent. Qualitative data consisted of employment status, marital status, employment, employment relationship status, education level, and gender. There were 2 sources of data used, namely primary data sources and secondary data sources. Primary data were obtained from interviews with respondents and informants. Secondary data were obtained from various agencies such as from Central Bureau of Statistics, BPMD (Community and Village Empowerment Agency), Bappeda (Development Planning Agency at Sub-National Level), as well as from the village office. The sampling technique for village officials was by census or simple random sampling if there were more than 3 village officials. Respondents from community members and community leaders were taken using a combination of accidental sampling and snowball sampling. The purposive sampling technique was used for informants.

The data collection methods used were described in detail as follows, 1) Observations that can be made by researchers in collecting field data are both behavioral and non-behavioral observations (Jogiyanto, 2004). 2) Interviews/interviews were conducted on respondents 3) In-depth interviews were conducted on informants to add qualitative information or data. The data analysis techniques used in this research were: 1) descriptive statistics, to describe the research data; 2) Inferential statistics used simple regression analysis and the average difference test.

DATA AND DISCUSSION

Characteristic of Respondent

The characteristics of the respondents that will be discussed are related to education, age, and gender of the respondents. These three characteristics are very important that can determine the effort made in achieving prosperity. Based on the research data, it can be seen that most of the respondents have a high school education, but there are still some who do not finish elementary school. There are also quite some respondents who have tertiary education. Thus, it can be seen that half of the total respondents had a high school education and above, and the other half were junior high school students and below. The following is the condition of the respondent’s education.
Besides the education level of the respondents, the characteristics of the respondents were also presented according to gender. The data from the research showed that most of the respondents were men almost 80 percent. This was following the condition of the community in rural areas where the head of the household was generally men. Besides, most village office officials and community leaders are male. It can be seen that there are differences in roles between men and women, which leads men to be more in public roles and women to be more dominant in domestic roles. However, when compared with data between provinces in Indonesia, Bali Province has the Labor Force Participation Rate (TPAK) as a reflection of women’s public roles.

Another respondent characteristic that was discussed was the age of the respondent. Age is also important because it is related to various things including the income that may be received. Getting older reflects higher experience, thus, skills and income also tend to increase. The data in Figure 3 shows that the respondent’s age pattern was in the shape of an inverted U, in which as the age of the respondent increases, the percentage, as well as the absolute number, increases until it reached its peak at the age of 45-54 years. After that age the percentage decreased, this pattern can be said to be normally distributed and the peak was the most
productive age. The Covid-19 Pandemic conditions had an impact on decreasing job opportunities so that they could not actualize their productivity.

The Covid-19 Responsive Village (Desa Tanggap) Activity, was an activity that was just carried out in 2020 for the handling of the Covid-19 pandemic. It was the variation or difference is positive in 2020. The difference is significant. The second activity carried out in 2020 was referred to as PKTD (Village Cash Intensive Work) which was a productive activity to provide additional wages for the poor and marginalized to improve the welfare of the people in the village and reduce poverty. This activity utilized local resources, labor, and technology. Thus, there would be more employment/job opportunities. Before the Covid-19 pandemic in 2019, the activities that could be compared were the development of village infrastructure where the number of funds used was far more than the PKTD funds in 2020. There was a negative difference, so there were no activities for village infrastructure in 2020, and the difference or difference is significant. This means that the handling of the Covid-19 Pandemic was following the regulations of the Minister of Villages.
and PDTT in 2020. Village infrastructure development activities were not carried out but are directed to PKTD activities.

Table 1: Differences in the Use of Village Funds in 2020 and 2019 in Klungkung Regency

<table>
<thead>
<tr>
<th>No</th>
<th>Activity</th>
<th>Average Difference (IDR)</th>
<th>t-value</th>
<th>Probability</th>
<th>Conclusion</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>Desa Tanggap Covid-19</td>
<td>148848779.00</td>
<td>5.477</td>
<td>0.000</td>
<td>Significant</td>
</tr>
<tr>
<td>2</td>
<td>PKTD/infrastructure</td>
<td>-356928418.85</td>
<td>-6.893</td>
<td>0.000</td>
<td>Significant</td>
</tr>
<tr>
<td>3</td>
<td>Direct Village Fund Cash Assistance</td>
<td>167362738.42</td>
<td>5.798</td>
<td>0.000</td>
<td>Significant</td>
</tr>
<tr>
<td>4</td>
<td>Village Economic Empowerment/community empowerment</td>
<td>40462910.87</td>
<td>1.163</td>
<td>0.283</td>
<td>Insignificant</td>
</tr>
<tr>
<td>5</td>
<td>The Assistant of village officials</td>
<td>-492163769.42</td>
<td>-3.551</td>
<td>0.012</td>
<td>Significant</td>
</tr>
</tbody>
</table>

Source: Result of research, 2021

This Direct Village Fund Cash Assistance activity is also a new activity directed at helping rural communities due to the Covid-19 Pandemic. This activity had not yet existed in 2019. The difference is significant. This shows that there was a significant difference in this activity in 2020 compared to the previous year. The Village Fund was also intended to assist the activities of village officials so that the welfare of village officials could be improved in order to be able to increase the work motivation of village officials. In 2020, the assistance was also provided, but it seemed to be greatly reduced so that the difference between 2020 and 2019 was negative and significant. This also means that activities between 2020 and 2019 originating from the Village Fund were very different in their designation. Community economic empowerment/community empowerment activities, it was still carried out by the Village Fund in both 2020 and 2019 which were almost the same so it can be seen that the difference or difference between 2020 and 2019 was not significant. This means that this community empowerment activity was still carried out by the village through the Village Fund they had received.

4 activities differed significantly both in the amount of the rupiah value and in their activities. This also showed that the utilization of village funds in 2020 was greatly affected by the Covid-19 pandemic. With the analysis of differences that had been carried out, it can be concluded that there were significant differences in programs/activities in 2020 compared to 2019 due to the outbreak of the Covid-19 pandemic and villages in Klungkung Regency, especially Klungkung mainland. They had implemented programs/activities for utilization and villages in 2020 following applicable regulations.

2) The effect of using village funds in 2020 after the Covid-19 pandemic on the welfare level of villagers in Klungkung Regency

To answer the objectives of this research, the results of respondents' perceptions related to the use of village funds in 2020 were regressed with data from respondents' perceptions of their welfare during the Covid-19 pandemic. The two variables had a positive correlation of
0.665. It means that there was a positive relationship between the use of village funds in 2020 and the level of welfare of the respondents as villagers. The results of the R Square calculation showed a value of 0.443. It means about 44.3 percent of the variation in the welfare of village community respondents was determined by the use of village funds and the rest was affected by other variables. It can be said that the effect of the use of village funds on the welfare of respondents was relatively large because one variable has contributed more than 44 percent. This condition also showed that village funds were an important source of village funding in various activities.

<table>
<thead>
<tr>
<th>Model</th>
<th>R</th>
<th>R Square</th>
<th>Adjusted R Square</th>
<th>Std. Error of the Estimate</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>.665a</td>
<td>.443</td>
<td>.441</td>
<td>.74657</td>
</tr>
</tbody>
</table>

After paying attention to the correlation results as described previously, it would then be seen the significance of the effect of the use of village funds on the level of welfare of the respondents. When viewed from the model test, it turns out that the use of village funds was a very precise model for predicting the welfare of rural communities. This can be seen from the results of the Anova or F test to see the model test with a very convincing significance, namely with a value of 0.000 as from the following ANOVA output results.

<table>
<thead>
<tr>
<th>Model</th>
<th>Sum of Squares</th>
<th>df</th>
<th>Mean Square</th>
<th>F</th>
<th>Sig.</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>Regression</td>
<td>1</td>
<td>113.365</td>
<td>203.394</td>
<td>.000b</td>
</tr>
<tr>
<td></td>
<td>Residual</td>
<td>256</td>
<td>.557</td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>Total</td>
<td>257</td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

a. Dependent Variable: welfare
b. Predictors: (Constant): Utilization/Use of Village Funds

After the model used was correct, it was indicated by a very high and significant F value of 0.000. It means that the model used was correct. The use of village funds could predict the level of community welfare. Furthermore, it will be seen the direction of the influence and its significance as well, the following output data also shows conditions as before, where the direction of the influence is positive following the direction of the correlation value. This means that the use of village funds in 2020 will have a positive impact on the welfare of the village community, especially as shown by the respondents in this study. During this pandemic, the use of village funds regulated by a regulation of the village minister, PDTT for priority handling of the impact of the Covid-19 pandemic was also able to improve the welfare of rural communities in this research area.
The positive effect of the use of village funds was also very significant. It was indicated by the t-count value and also the significance value of 0.000. Thus, it can be concluded that the use of village funds in 2020 in following Village Regulation, PDTT could improve the welfare of village communities affected by the Covid-19 pandemic. Although the use of village funds in 2020 was prioritized according to the regulation of the Minister of Villages, PDTT No. 13 of 2020. This regulation still directed the use of village funds during the Covid-19 pandemic to the original purpose of providing village funds, namely to improve the welfare of the villagers so that the urban population welfare gaps, with rural areas, it could be smaller, so that income distribution as part of the Tri Logi of development could be achieved.

The results of this result indicated that the use of village funds has succeeded in improving the welfare of the village community. This success was supported by many research results in other areas. Diatmika et al's research results published in an article in 2021 found that village funds utilized in Panji Village could improve the welfare of the Panji Village community through the use of these village funds (Diatmika et al., 2021). The use of village funds here could encourage economic growth through the use of village funds, which in turn can improve the welfare of the people of Panji Village. One of the results of research in South Kalimantan Province found similar results where village funds were also able to significantly increase economic growth in the region (Ripandi, 2018).

Research conducted by Indraningsih et al (2021) showed that the existence of village funds was very useful for community empowerment, especially for poor community groups such as farmers in rural areas. The existence of village funds through community empowerment can reduce poverty through increasing development in the village (Faoziyah et al, 2020). The findings conducted by Kusnandar (2021), also showed that the implementation of the village fund program has a great impact on the village and village communities in Mandalawangi Village. It increased community empowerment activities and then improved the welfare of rural communities. The role of village funds in development through community empowerment is very substantial, especially after the disaster, as the findings of Nugroho et al (2021) showed that village funds play an important role in efforts to generate village community activities in Pidie Jaya Regency after the disaster in Aceh in 2016. Results The findings from Kepramareni et al (2020) also showed that village funds had a positive impact on the community in Petak Kaja Village, Gianyar Regency through various empowerment programs that are realized.
CONCLUSION

Based on the results of the discussions that have been carried out in the previous chapter, it can be concluded as follows:

1) There is a significant difference in the use of village funds in 2019 before the Covid-19 pandemic with the use of village funds in 2020, during the Covid-19 pandemic. In 2020, the use of village funds was used more for handling the Covid-19 pandemic, Village Fund Cash Direct Assistance (BLT), and also for community empowerment through the Village Cash Work Unit (PKTD), while the use of village funds in 2019 before the Covid-19 pandemic was used for the administration of village government, implementation of village development, community development, and community empowerment.

2) The conclusion is related to the impact of using village funds in 2020 on the welfare of rural communities in the research area. The results of the study show that there is a positive correlation between the use of village funds and the welfare of rural communities in the research area, the model used is also significant in the sense that the use of village funds can predict a very significant increase in welfare. Therefore, it can be concluded that there is a significant positive effect of the use of village funds in 2020 during the Covid-19 pandemic on the welfare of rural communities in the research area in Klungkung Regency.

SUGGESTION

Based on the results of the discussions that have been conducted, suggestions are as follows.

1) PKTD is closely related to the education/skills of the community. The village is very difficult to determine what activities are most appropriate for the village. For the suggestion, each village should identify the skills possessed by the villagers. So, they have a map of the village's ability to design various activities to improve the skills of the villagers in the context of utilizing village funds in the future. It is also related to the empowerment of village communities.

2) Conducting comparative studies between villages in Bali Province and between provinces to be able to learn various things related to the implementation of village funds for the future with various programs that are suitable/relevant to their respective regions.

REFERENCE


