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## EFFECTIVENESS OF VILLAGE FUND ALLOCATION FOR PRODUCTIVE ECONOMIC DEVELOPMENT IN PESANGGRAHAN VILLAGE DURING THE COVID-19 PANDEMIC.

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### Abstract

*The aim of this research is to determine the effectiveness of village fund allocation for productive economic development in Pesanggrahan Village during the Covid-19 pandemic. The research approach is semi-qualitative descriptive. Descriptive quantitative analysis is used to support qualitative analysis. Data collection uses open and in-depth interview techniques, field observations and documentation of results. In quantitative analysis, the measurement of village financial performance uses a comparison of the ability to realize the program in accordance with the targets set. Meanwhile, the qualitative data analysis used is data reduction, data presentation and drawing conclusions/verification.*

*The research results show that the sixth economic development program in Village Fund Allocation in Pesanggrahan Village has been effective. results of in-depth research on communities that use loans from BUMDes to develop their businesses so that MSMEs can develop, development of agricultural facilities and food control that maintain village food security with better quality harvests and low stunting rates, Joben Eco Park tourism arrangements increase local tourist visits, and people feel safe in carrying out their economic activities because they have knowledge about dealing with Covid-19 so they can carry out prevention independently.*

**Keywords:** Effectiveness, Village Fund Allocation, Economic Development

### INTRODUCTION

#### Background

Indonesia, as a vast archipelagic country, has resulted in the Central Government delegating several authorities to Regional Governments. This delegation of authority is usually called regional autonomy. According to (Bastian, 2011) regional autonomy is an effort to authorize regional potential in managing and empowering regional natural resources that are owned according to the needs of the region. Government This makes the

Central Government allocate special funds sourced from the State Revenue and Expenditure Budget directly to the Village Government called Village Funds (DD). The pandemic at the end of 2019 caused a health crisis that had an impact on the world economy, forcing all countries to retreat from their original development strategies and then replace them with emergency response policies. Indonesia is one of the countries that has

modified its policies. The government's efforts to quickly respond to disasters have hampered economic movement and are feared to disrupt economic growth and development due to decreased consumption and investment. In such conditions, village fund allocation plays an important role as an instrument for implementing development strategies during the Covid-19 pandemic.

At the beginning of 2021, the Pesanggrahan Village Government reallocated the budget by cutting Village Funds which prioritized the areas of government, development, development and community empowerment, which were then allocated for Covid-19 disaster management by a minimum of 8%. The allocation of Village Funds in Pesanggrahan Village is described more clearly in economic development which is budgeted for the preparation and updating of Village Profiles, Village Safe Food Security and Stunting Prevention, Development and Development of BUMDes, Productive Businesses, Development of Pokdarwis and Handling of Covid-19. The program adjustments implemented took into account the urgent conditions of the Pesanggrahan Village community where MSMEs experienced a decline in income, many were unemployed due to layoffs, people's purchasing power was low and so on.

Every program that is planned must be right on target in its realization, which means it is in accordance with the goals that have been set based on the results of deliberations from all levels of society. The effectiveness of the Village Fund Allocation can be seen through the ability of the village government to realize the village fund budget to implement the programs that have been prepared. A budget can be said to be effective if the budget is realized in accordance with previously determined plans. The use of village funds is in accordance with the Minister of Village PDRT Regulation Number 7 of 2020, village fund budget used for implementing the Covid-19 response village. During a pandemic like this, the government prioritizes two things, namely: First, infrastructure development to strengthen village economic resilience and increase community income. Second is strengthening public health through efforts to prevent and handle Covid-19. Thus, the problem studied in this article concerns the level of effectiveness of village fund allocation for economic development in Pesanggrahan Village during the Covid-19 pandemic.

## THEORETICAL BASIS

### Effectiveness

Effectiveness in a general sense shows the level of achievement of results. In simple language, it can be explained that the effectiveness of regional government is when the regional government's objectives can be achieved in accordance with planned needs. In accordance with Permendagri Number 13 of 2006 article 4 paragraph 4, effective is the achievement of program results with predetermined targets, namely by comparing output with results. Measuring financial performance with the effectiveness ratio is used to measure regional capacity in actualizing regional income as scheduled. targets are set based on the real potential of the region so that the level of regional capability can be clearly illustrated (Sudaryono, et.al, 2017).

Measures of Effectiveness according to Duncan in Richard M. Steers (2005:64) state that there are 3 indicators in determining effectiveness, namely as follows:

#### 1. Goal Achievement

Achieving goals is the overall effort to achieve goals that must be viewed as a process. Therefore, in order to ensure the achievement of the final goal, stages are needed, both in the sense of phasing in the achievement of the parts and stages in the sense of periodization. Goal achievement consists of 2 sub-indicators; namely: time period and targets which are concrete targets.

#### 2. Integration

Integration is a measurement of the level of an organization's ability to carry out socialization or communication and develop consensus. Integration concerns the socialization process.

#### 3. Adaptation

Adaptation is the ability of an organization to adapt to its environment which is related to the suitability of program implementation to conditions in the field.

## Allocation of village funds

Village Fund Allocation (ADD) is funds allocated by the Regency or City Government for villages, sourced from the share of central and regional financial funds received by the Regency or City (PP No. 72 of 2005 Article 1 paragraph 11). The purpose of village fund allocation is to equalize financial capacity between villages to fund village needs in the context of administering government and implementing development and community services. The allocation of village funds for the village finances is obtained from regional tax revenue sharing and the share of and balance of central and regional finances received by the district.

## Economic Development

Economic development is a process of increasing total income and per capita income by taking into account population growth and accompanied by fundamental changes in the economic structure of a country and equal distribution of income for the population of a country. Economic development theories according to experts:

- a. According to Adam Smith, for economic development to take place, specialization or division of labor is needed so that labor productivity increases. Specialization in the production process will be able to improve the skills of the workforce, will encourage the discovery of new tools or machines and ultimately can speed up and increase production.
- b. According to Malthus, for economic development to occur, it is necessary to increase the amount of capital for continuous investment. Economic development or an increase in production is expected if savings are used for investment purposes. But this investment is hampered by a lack of effective demand. The lack of effective demand is caused by the increase in population which results in suppressing wage levels and, in addition, because some of the income received is saved and not all consumed.

## Village economic development during the Covid-19 pandemic

Village development has a strategic role in the framework of national and regional development, because all of it is development that directly touches the lives and interests of the people, where 80% of the population lives and lives in rural areas. In the regulations regarding village fund management Article 5 paragraph (1), the Priority Use of Village Funds as referred to in Article paragraph (3) letter a is regulated and managed by the Village based on village authority including: (1). National Economic

Recovery in Accordance with Village Authority, such as the formation, development and revitalization of Village-owned business entities/joint Village-owned business entities for equitable Village economic growth; development of productive economic enterprises (2). National Priority Programs in accordance with Village Authority, such as village data collection, potential and resource mapping, development of tourist villages, strengthening food security and preventing stunting, inclusive villages (3). Adapting to New Village Habits Healthy and prosperous villages through COVID-19 Safe Villages, Direct Cash Assistance from Village Funds.

## Previous research

Yunia Novita's research (2017) examines the effectiveness of village fund policies regarding economic development and rural infrastructure in Langkat Regency. The results of the research show that there has been an increase in infrastructure from the allocation of village funds. However, the increase in community income is greater from the community's own efforts, not from the allocation of village funds.

Kusrawan research (2021), which examines Efficiency Analysis

And the Effectiveness of Village Fund Management in North Tongauna District, Konawe Regency. The research results show an average level of effectiveness of 100%. These results are in accordance with the conditions in the field, namely health services, education and an increase in the quality of life of village communities which is able to encourage development in the village.

Aini and Dwi's research (2021). Which examines the effectiveness of village funds for BLT as a form of community welfare during the Covid-19 pandemic. The research results showed that the distribution of village funds for BLT went well to communities affected by Covid-19. However, distribution is not optimal because there will be a dependency effect on recipients who do not use it for productive activities.

## RESEARCH METHODS

### Research Approach

This research uses a semi-qualitative approach which examines the effectiveness of village funds which are prioritized for economic development allocations and good budget allocations in Covid-19 conditions. The use of a combination method in this research is to combine quantitative and qualitative approaches which are used simultaneously so that valid data is obtained (Sugiyono, 2017).

### Data collection

#### Informant

An informant is a person who provides information either about himself or another person or an event or thing to the researcher in an interview (Afrial, 2016:56). Some of the informants in this research include:

- a. The key informant is the informant who has comprehensive information about the problems raised by researchers in this research, namely the village head.
- b. The main informant in qualitative research is similar to the "main actor" in a story or narrative. The informants for this research include the planning department, finance department, and BPD.

- c. Supporting informants are people who can provide additional information to complement the analysis and discussion in qualitative research. Informants for this research include BUMDes managers, MSME owners, Tourism Awareness Groups, Village Food Security Cadres, Covid-19 Safe Village Teams, BLT recipients, farmers, traders. .

## Researcher Presence

Researchers went directly into the field to observe and collect the required data with a list of questions as an interview guide. Researchers conducted research at the Pesanggrahan village office and visited directly the community which could provide information related to the data needed in the research.

### Location Settings (Research Site)

In accordance with the research problem, namely the effectiveness of managing village funds for economic development. So the choice of location in Pesanggrahan Village was in accordance with the characteristics of the informants for solving problems in the research.

## Data Collection Procedures

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### Data Collection Procedures

In this research, data collection techniques were used. According to Suharsimi (2010: 198), data collection can be done by obtaining from observation, interviews and documentation.

- a. Observation is carried out through observation, accompanied by notes on the condition or behavior of the target object.
- b. Interviews are conducted by two parties, namely the interviewer who asks questions and the interviewee who provides answers to the questions given.
- c. Documentation by recording past events in the form of data, images, photos, audio, video and so on. Audio and video recordings as well as taking pictures related to data needed in research activities.

## Data Validity

In this research, source checking techniques will be used to check the validity of the data in the field. The steps taken were to compile data obtained from observations, interviews and documentation. This technique cross-checks by comparing with other data sources and comparing with the analysis of the informant concerned.

## Data analysis

### Quantitative data analysis

In this research, an analysis of the performance of village fund allocation is used in accordance with Permendagri No. 13 of 2006 article 4 paragraph 4. Effectiveness is the achievement of program results with targets that have been set, namely by comparing output with results. Thus, to analyze the effectiveness of village funds, it can be seen from the comparison between realization and expenditure targets as follows:

Effectiveness ratio = (Actual spending) / (Spending target) 100%

The effectiveness standards according to Minister of Home Affairs Decree No. 690,900,327 of 1996 which was amended by Minister of Home Affairs Regulation No. 13 of 2006 concerning assessment criteria and financial performance can be determined whether they are effective or not by meeting the following criteria: achievement above 100% means very effective, between 90%-100% means effective. 80%-90% means quite effective. 60%-80% means less effective. 60% means ineffective.

## Qualitative data analysis

Miles and Huberman (1992:16) in their book entitled qualitative data analysis, in data analysis techniques there are three data acquisition procedures used in qualitative research, including:

- a. Data Reduction (Reduction) is a process of processing data from the field by sorting and selecting and simplifying data by summarizing important things according to the focus of the research problem.

- b. Data Presentation/Display presenting data in groups will make it easier to understand what happened during the research.
- c. Drawing conclusions (Conclusions drawing/verifying) is carried out if the initial conclusions reached are still temporary, and there will be changes if they are not accompanied by strong supporting evidence to support the next stage of data collection to reach a reliable conclusion.

## Discussion

### Quantitative Analysis

Effectiveness is a measure that states how far the target (quantity, quality and time) has been achieved. Where the greater the percentage of the target achieved, the higher the effectiveness. Analysis of village financial performance in the allocation of village funds measuring the effectiveness ratio by comparing the realization of the use of Village Funds with shopping targets.

**Table 1. Analysis of Village Financial Performance in Allocation of Village Funds in Pesanggrahan Villa**

No	FIELD	TARGET (IDR) (a)	Realization (IDR) (b)	Ratio efectiveness (b/a) x 100%	Criteria
1	Penyusunan/ Pemuktahiran Profil Desa	7,880,000	7,880,000	100%	Effective
2	Ketahanan pangan aman desa dan pencegahan stunting	81,273,328	74,273,328	91.38 %	Effective
	Rabat Jalan Usaha Tani Kebon Deye –Gelogor	22,532,000	22,532,000		
	Jembatan Peninggan-Teluk	8,341,774	8,341,774		
	Talud Irigasi Subak Lunggu	21,003,200	21,003,200		
	Pembuatan Tang Air Subak Gelogor	24,786,300	24,786,300		
	Pembangunan Stordam Joret Lauk	12,401,300	12,401,300		
	Rehab Stordam Orong Kebon Punik	11,971,500	11,971,500		
	Pembangunan Stor Dam Joret-Lauk	12,996,100	12,996,100		
	Talud Irigasi Subak Camek	32,267,700	32,267,700		
	Penyelenggaraan Posyandu(Mkn Tambahan,Kls Bumil, Lansia, insentif)	64,380,000	57,380,000		
	Pembinaan Kader Posyandu	8,958,245	8,958,245		
	Ketahanan Pangan Aman Desa	7,935,328	7,935,328		
3	Pembangunan dan pengembangan Bumdes	63,512,000	63,512,000		
4	Pembinaan Kelompok Sadar Wisata	2,854,800	2,854,800	100 %	Effective
5	Pemberdayaan usaha produktif	7,401,336	7,150,000	96.66 %	Effective
	Pelatihan Wirausaha Ibu Rumah Tangga	3,719,000	3,719,000		
	Pelatihan Wirausaha Bagi Pemuda	3,682,336	3,682,336		
6	Penanggulangan dampak covid-19	122,180,001	117,750,001	96,37 %	Effective

Source : Data Processed by researchi (2022)

Based on the 2021 Pesanggrahan Village budget table above, it can be described the government's ability to allocate village funds that the realization of the village fund budget for the economic development program has been fully realized. With the realization of overall village funds for the preparation and updating of village

profiles, the Pesanggrahan Village Government can easily continue the economic development program in its village in accordance with the results of village potential mapping. So the community can feel the results of this village mapping through the

implementation of economic development programs as a continuation of previous programs.

The best service to the community through budget realization for the posyandu program for pregnant women and toddlers, monitoring food for dangerous substances, as well as good drinking water and sanitation, as well as providing agricultural facilities and infrastructure. In 2021, the village fund budget for BumDes has been completed, which was then developed with the formation of BumDes Mart and BumDes productive business loans.

In the current Covid-19 conditions, BumDes can be used by the general public to shop for daily necessities and MSMEs for business capital loans.

The village government is able to look at its potential to provide added value and produce high productivity for the welfare of the community. The coaching carried out includes improving skills, promoting tourism and organizing tourist villages. This activity can improve skills, knowledge and insight to map superior products through excess natural resources and then develop steps for their development. Marketing supported by easy, fast capital through Bumdes loans will significantly improve the welfare of households in Pesanggrahan villages.

In efforts to overcome Covid-19, which has a huge impact on health and the economy, the central government requires villages to allocate a minimum of 8% of village funds. programs in this field for BLT and preventing Covid-19. The community can feel the benefits of realizing village funds through the implementation of Covid-19 prevention and poverty alleviation through BLT.

## Qualitative Analysis

Each program is explored using Duncan's indicators in Richard M. Steers (2005: 64), including goal achievement measured by time and budget completion targets, integration with socialization and adaptation of village fund allocations to suit conditions in the field.

### 1. Preparation/Updating of Village Profiles

The village government's obligation to create a village profile has been carried out. Village profile containing the condition of the Pesanggrahan Village residents and the potential resources available in the village. The effectiveness of the budget can be seen from the village government's ability to realize the entire village fund budget and plan, implement and realize the budget in accordance with the results of mapping on the village profile. As a result of this presentation, the government was able to achieve the goal of preparing village profiles within the time limit set until the end of the 2021 fiscal year and the target was community needs.

The needs are in the form of empowering MSMEs, Pokdarwis and procurement of agricultural infrastructure. Government integration is described in its efforts to update village profiles that adapt to solving economic development problems in villages. So that the community can feel the benefits of the village fund budget that has been realized to solve economic problems by building and developing Bumdes for MSME capital, empowering Pokdarwis to develop tourism potential and providing infrastructure for irrigation dams, agricultural road rebates and others to facilitate agricultural economic activities.

### 2. Food Security and Stunting Prevention

The Pesanggrahan village government has allocated village funds to programs that are right on target according to community needs

through food security programs, including providing posyandu, building village infrastructure and preventing stunting. The benefits felt by village communities include facilitating agricultural activities, good quality village food and low stunting rates. This situation shows the village government's ability to achieve goals by good communication with the community which then adapts in the form of adjusting the programs needed in the community. So the achievement of a safe food program and stunting prevention in Pesanggrahan Village can contribute to encouraging economic development in the sustainability of the program in the following year.

### 3. Development and development of Bumdes

The effectiveness of village fund allocation for economic development through the development and development of Bumdes has been effective. From achieving the village government's goals, it can realize the village fund budget for the construction and development of BUMDes which can empower village communities. Through good communication as a form of integration, the government can solve problems that exist in society. Government adaptation. Businesses developed by Bumdesa can provide benefits to the community in the allocation of village funds that are realized. Efforts to develop the village economy in the following years will be easier to realize. Currently, the BUMDes have not been able to make a real contribution to the village's original income. However, it can provide benefits to the community, especially those who have productive businesses. As time goes by, the development of BUMDes every year will definitely provide real results. Not only will the welfare of the community increase, but the village's original income will also increase. So far, the community has used Bumdes for business capital loans. The majority of people who borrow capital are people who are developing businesses or are just starting to build businesses such as small businesses.

### 4. Development of Tourism Awareness Groups

Allocation of Village Funds through training to tourism awareness groups. What was budgeted for village funds in 2021 was realized through training at the Pokdarwis. This program is an adjustment to the impact of Covid-19 on the decline in the number of tourist visits and has implications for a decline in people's income. Through this training, Pokdarwis who manage tourism can improve their skills for creativity. It was explained that pokdarwis can hone their creativity for tourism development. Promotion techniques with the Joben Eco Park brand and utilizing Facebook social media. To support these promotional activities, Pokdarwis also provides several facilities to optimize existing resources, such as outdoor rides, camping grounds, tracking and education, which is enough to attract a number of local tourist visits.

### 5. Empowerment of Productive Business.

There is empowerment of SMEs with the existence of Village Funds, the community takes part in ketak making training and digital marketing seminars. Apart from that, people who run SMEs can increase business capital so that their business can be better and progress by borrowing funds or capital through BUMDes with a maximum loan of IDR 15,000,000 and payments can be paid in installments within a period of no later than 2-3 years. Empowering SMEs has an impact on increasing people's income and opening up employment opportunities for the people of Pesanggrahan Village. By empowering MSMEs, they have been able to eradicate poverty through productive community efforts. Judging from the community's income after empowerment, namely

Solong Lauq MSMEs with their ketak products amounting to Rp. 3,250,000 and Solong Jaya with coffee products amounting to Rp. 4,400,000, exceeding the 2021 East Lombok UMR, which is IDR. 2,184,197. So this means that people whose income is above the minimum wage are still said to be prosperous because they can meet the standard of living needs.

Apart from developing existing businesses, people also innovate to build new businesses. Ibu Hasanah is one of the people who rose from the foldmat the impact of the Covid-19 pandemic as a brick MSME owner. With capital from a productive business loan from Bumdes, Mrs. Hasanah innovated to build her own business by making processed sticky rice food to be marketed in traditional markets. This situation can illustrate that the allocation of village funds in Pesanggrahan Village has been able to generate economic development in the midst of the Covid-19 pandemic.

#### 6. Mitigating the Impact of Covid-19

From the statements of several informants, it can be concluded that the Village Fund Allocation in the field of emergency and urgent disaster management for Covid-19 has been able to be implemented by the village government. The aim of allocating village funds for overcoming Covid-19, both in terms of security and overcoming the impact of Covid on the economy, has been completed within the specified time period and is on target. To achieve this goal, the Covid-19 safe village program is by forming a Covid-19 task force team, then conducting outreach, providing hand washing facilities and infrastructure, and spraying with disinfectant. Thus, the number of cases of people exposed to Covid-19 in Pesanggrahan Village is low.

The village government has high integrity in Allocation of Village Funds for dealing with Covid-19. Adapting to new village habits has led the government to budget Village Funds for dealing with Covid-19. The formation of a Covid task force team and guard posts to foster the community is a form of government adaptation during this pandemic. The success of this adaptation program is proven by the low number of positive confirmed cases in Pesanggrahan Village and the improvement in economic conditions due to the impact of Covid-19 which can be handled through adjusting several programs according to community needs. so that people feel safe and comfortable in the new village habits through the implementation of strict health protocols. With the knowledge that the public has about the impact and ways to prevent Covid, the public can comply with health protocols and carry out prevention independently.

## CONCLUSION

In the six priority programs, village fund allocation in Pesanggrahan Village for economic development is included in the effective level with a percentage of comparison results between realization and expenditure targets of 100%. Although there is no evidence of an increase in village income. However, people can feel great benefits from

allocation of village funds. Supported by good village government integration in communication with the community.

Potential for economic development in Pesanggrahan village by optimizing existing resources. Through BUMDes, MSME community members get access to build and develop their businesses with loan capital. The provision of basic commodities by BUMDes makes it easier for people to meet their daily needs at affordable prices. Maintaining food security is also carried out by improving irrigation and farming roads as well as controlling the

quantity and quality of food so as to create safe village food. Potential for utilizing and improving the quality of natural resources and human resources in developing tourism awareness groups. This group was able to create a good promotional strategy by arranging the Joben Eco Park tourism object. Apart from that, providing guidance to the community regarding the management and prevention of Covid-19 also supports the revival of community economic activity in Pesanggrahan Village. People feel safe because they have sufficient knowledge to prevent Covid-19 independently.

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