



The Effectiveness of Village Funds for the Community Empowerment Program

Wulan Bedi Pratama ^a, Ira Wahyuni Syarfi^a, Hasnah ^{a*}

^a Regional and Rural Development Study Program, Graduate Program, Universitas Andalas, Limau Manis, Padang, West Sumatra 25163, Indonesia

ARTICLE INFORMATION

Article history:

Received 24 June 2022

Revised: 30 September 2022

Available online: 1 December 2022

Keywords:

Village Fund, Empowerment, Status of Village

*Corresponding author:
hasnah@agr.unand.ac.id

A B S T R A C T

This study aims to analyze the effectiveness of community empowerment using village funds in developed and developing villages. This research employed a survey method on multiple case studies involving 70 respondents. Data were analyzed using a quantitative approach. The results showed that the effectiveness of community empowerment program is more effective in the developed village. The variables of community awareness, participation, independence, and income have a positive and significant effect on the effectiveness of the community empowerment program.

@2022

INTRODUCTION

Development is essential, especially in rural areas, because the success of national development cannot be separated from rural development. The government has made various strategic efforts in rural development, one of which is the issuance of Undang-Undang Number 6 of 2014, which brings hope to improve the living standards of rural communities. Recognition of several village authorities, both those based on origin rights and local scale (scope), has become a new development strategy. Previously, the village was only a locus but is now the development subject. The recognition of this authority is followed by a transfer of funds from the State Revenue and Expenditure Budget (APBN), namely village funds which are expected to be able to facilitate the wheels of rural development.

The government has channeled village funds large enough to be given to villages since the funds began to be distributed in 2015 until 2019. The total receipts of village funds in Indonesia can be seen in Table 1.

Table 1. Village Fund Receipts in Indonesia 2015-2019

Year	Village Fund in Indonesia (Trillion)
2015	Rp 20,70
2016	Rp 46,98
2017	Rp 60,00
2018	Rp 60,00
2019	Rp 70,00

Source: Ministry of Finance Indonesia, 2019

Table 1 describes that Indonesia's village fund budget continues to increase yearly. At the beginning of the budget year, 2015 was Rp20,70 trillion and increased to Rp70,00 trillion in 2019. Village funds are expected to provide a greater impetus for development at the village level, especially to empower village communities. This empowerment of rural communities will focus on increasing quality participation, knowledge, and skills. In general, it can be referred to as increasing the capacity and capability of the village community itself (Arina et al., 2021).

In addition, village funds are expected to reduce poverty in rural areas. Based on 2019 statistical data, the poverty rate in urban areas was 6.69%, while the poverty rate in rural areas reached 12.85% (Badan Pusat Statistik, 2019). Based

on Sigit & Kosasih (2020) research states that the distribution of village funds can effectively reduce the number of poor people. The results of this study are the same as those of Susilowati et al. (2017), who concluded that village funds influenced the decline in East Java Province.

Village funds are given flexibility in their use to the Nagari government but must be prioritized in the fields of development and community empowerment. The development based on Undang-Undang Number 6 of 2014 is defined as an effort to improve the quality of life and life for the maximum welfare of the village community.

Permendesa Number 19 of 2017 regulates the use of village funds to finance village development to improve community welfare and quality of life and reduce poverty, such as the development of basic infrastructure (residential environment, transportation, information, and communication) and social service infrastructure. (health and education), and environmental infrastructure (natural disaster preparedness). Furthermore, village community empowerment, according to Undang-Undang Number 6 of 2014, is an effort to develop community independence and welfare by increasing knowledge, attitudes, skills, abilities, awareness, and utilizing resources through the establishment of policies, programs, activities, and assistance by the essence of the problem. And priority needs of rural communities. It is in line with Permendesa Number 19 of 2017 that community empowerment activities are carried out to increase the capacity and capability of the community by using their potential and resources so that the community can be independent.

West Pasaman District, one of the districts receiving village funds from 2015 to 2019, has used these funds for physical development and community empowerment. The village funds received by West Pasaman District also continue to increase yearly. Along with the increase in these funds, the responsibility of the Nagari government to manage village funds must also be more significant.

Table 2 shows that the allocation of village funds in West Pasaman District is primarily used in the physical development sector, reaching more than 70% of the total budget of village funds, compared to the community empowerment sector, where the allocation is less than 30% of the total village funds. In line with this, it was found that there was a tendency for each priority to use village funds to focus more on the field of physical development than the field of community empowerment. The absence of sustainability from community empowerment activities that had been carried out for the following year shows that the community has not been optimal in community empowerment activities in developed and developing Nagari in West Pasaman Regency.

Prayoga et al. (2020) found that the use of village funds was still focused on physical development due to a lack of understanding of the community and village officials about the rules for using village funds.

Table 2. Allocation of Use of Village Funds in West Pasaman District

Year	Village Fund (in Rupiah)	Percentage of Village Fund Usage	
		Development	Community Empowerment
2015	8.728.910.000	89%	11%
2016	19.617.110.000	84%	16%
2017	25.253.383.000	86%	14%
2018	35.839.479.000	79%	21%
2019	47.238.891.000	71%	29%

Source: West Pasaman Regency Village Assistant, 2020

The government's classification of village status shows a picture of the acceleration of village growth determined through the Village Building Index (IDM). Based on the 2020 IDM, West Pasaman District has 15 Nagari in the developed category and four Nagari in the developing type. Nagari with the developed status implies that they can manage their potential (social, economic, and ecological resources), while the Nagari in the developing class has not addressed them optimally. Due to the different backgrounds in the two types of Nagari, it is essential to see if there are differences in the effectiveness of community empowerment using village funds according to Nagari's status. Effectiveness can measure whether a program is beneficial for the Nagari community. This study aimed to analyze the effectiveness of community empowerment programs using village funds in developed and developing villages.

METHOD

This research is a multiple case study carried out in Nagari Sungai Aua (developed village) and Nagari Parik (developing village). Data were collected using a questionnaire involving 70 respondents who participated in a community empowerment program funded by village funds from 2015-2019 in both developed and developing villages.

The variables to evaluate the outcome of the community empowerment program in the two-village status include 1) community awareness, 2) community participation, 3) community independence, and 4) community income. All variables are measured by indicators using the Likert Scale. The details of the indicators are presented in Table 3. The data were analyzed using a t-test to measure the program's performance between the two-village status (developed and developing villages) and multiple regression to estimate the effect of awareness, participation, independence, and income variables on the program's effectiveness.

Table 3. Variables and Indicators

Indicator	
Awareness (A)	
1.	It realizes that problems must be solved after participating in a community empowerment program.
2.	Realizing the potential and resources that can be utilized after participating in a community empowerment program
3.	It is knowing and realizing the purpose of the community empowerment program.
4.	I realize the importance of community empowerment programs.
Participation (B)	
1.	High participation in identifying the priority scale needed for the empowerment program.
2.	High participation in the implementation of the empowerment program.
3.	High motivation or desire to use the knowledge and skills that have been gained.
4.	Willingness to continue participating in the empowerment program.
5.	Gain broader knowledge after participating in community empowerment programs.
Independence (C)	
1.	It is improving skills and abilities after attending community empowerment program training.
2.	Able to produce output after attending the community empowerment training
3.	Satisfied with the implementation and results obtained from participating in the community empowerment program.
4.	Able to come up with new thoughts that can overcome the problems faced.
5.	It improves our ability to make decisions.
6.	Able to convey aspirations.
7.	Able to meet needs without relying on the help of the other party.
Income (D)	
1.	Make community empowerment training a source of livelihood.
2.	Community empowerment program increases income
3.	Community empowerment programs improve the quality of life

The hypothesis is formulated to compare the effectiveness of the Community Empowerment Program between two village category as follow:

H0 = There is no difference in the effectiveness of community empowerment between the developed and developing village

H1 = There is a difference in the effectiveness of community empowerment between the developed and developing village

RESULTS AND DISCUSSION

Profile of research site

Nagari Sungai Aua and Nagari Parik are located in West Pasaman Regency. Table 4 presents village status based on village development index (IDM = indeks desa membangun).

Table 4. Status of Village Classification

IDM	Developed Village (Nagari Sungai Aua)			Developing Village (Nagari Parik)		
	2018	2019	2020	2018	2019	2020
IKS	0.7942	0.8743	0.8971	0.7542	0.8800	0.8686
IKE	0.8000	0.8500	0.8500	0.7333	0.6333	0.6500
IKL	0.5333	0.6000	0.6000	0.3333	0.6000	0.6000
IDM Score	0.7092	0.7748	0.7824	0.6069	0.7044	0.7062

Source: Kemendesa, 2021

Annotation:

IKS: Social Resilience Index

IKE: Economic Resilience Index

IKL: Environmental Resilience Index

The IDM is assessed by 1) the Social Resilience Index (IKS), consisting of the dimensions of social capital, health, education, and settlements; 2) Economic Resilience Index (IKE), which consists of the economic dimension; 3) Environmental Resilience Index (IKL) consists of ecological dimensions. In Nagari Sungai Aua, the value of three IDM measurements tends to increase from 2018 – 2020. However, in Nagari Parik, there is a decrease in the value of the Economic Resilience Index (IKE). The IDM value in Nagari Sungai Aua is higher than that of Nagari Parik. IDM scores for 2018-2020 in Nagari Sungai Aua are always in the developed category (greater than 0.7072). Based on Permendes PDTT Number 2 of 2016, a developed village has the potential for social, economic, and ecological resources, as well as the ability to manage them to improve the welfare of the village community, and the quality of human life, and reduce poverty. The IDM value of Nagari Parik in the period 2018-2020 is in the developing category, between 0.5989 and ≤ 0.7072 . This village has the potential for social, economic, and ecological resources but has not managed them optimally to improve rural communities' welfare and quality of human life and alleviate poverty.

The assessment of the IDM is carried out to strengthen the movement and the achievement of development goals and empowerment of the village community. Development policies and activities and community empowerment must produce equity and justice, are based on strengthening local and cultural values, and are environmentally friendly by managing the potential of natural resources appropriately and sustainably.

The Effectiveness of the Community Empowerment Program

In general, the score of program effectiveness in the developed village is higher than in the developing village (Table 5). The participation score is considerably increased in both villages, while they are in the low category on income. In terms of community awareness and

independence, a developed village has a better class than a developing village.

Table 5. The Score of Effectiveness

Variables	Scores		Categories	
	Developed	Developing	Developed	Developing
Awareness	294	269	High	Medium
Participation	455	369	High	High
Independence	419	352	Medium	Low
Income	141	117	Low	Low
Effectiveness score	1309	1107	-	-

A t-test was conducted to assess the performance of community empowerment programs between developed and developing villages. The estimation results that the program is significantly more effective in Developed Village than in Developing Village. The value of the t-statistic is 4.99, which is higher than the t-table of 1.99.

The regression results of factors affecting the community empowerment effectiveness can be seen in Table 6. The estimation reveals that the program's effectiveness is influenced by community awareness, participation, independence, and income in both developed and developing villages at $\alpha = 0.05$.

Table 6. The Regression Results of the community empowerment effectiveness

Developed Village	Coefficients	Std. Error	t	Sig.
(Constant)	-0.177	0.065	-2.743	0.01
Awareness	0.223	0.011	20.439	0.00
Participation	0.32	0.023	14.211	0.00
Independence	0.376	0.014	26.403	0.00
Income	0.147	0.011	12.865	0.00
Developing Village				
(Constant)	0.074	0.034	2.165	0.04
Awareness	0.208	0.008	25.364	0.00
Participation	0.237	0.014	16.536	0.00
Independence	0.363	0.017	21.657	0.00
Income	0.155	0.01	14.787	0.00

It indicates that the higher the community's awareness, participation, independence, and income, the higher the program's effectiveness.

The coefficient of determination (R^2) indicates the extent to which the contribution of the independent variables in the regression model can explain the variation of the dependent variable. The R^2 in a developed village is 0.989 and in a developing village is 0.988. It means that community awareness, participation, community independence, and community income can explain the

effectiveness of the empowerment community program in developed and developing villages.

The success of empowerment does emphasize not only the results but also the process. The empowerment paradigm is people-centered and a development process that encourages community initiatives rooted from below (Alfitri, 2011). The level of community awareness is essential in community empowerment which is an effort to foster the desire of the *Nagari* community to change and improve, which is the starting point for the need for empowerment. Without the willingness to change and improve, all community empowerment efforts that are carried out will not get the community's attention, sympathy, or participation. The level of awareness will encourage community participation. High participation is based on the needs and potential of the community. According to Anwas (2013), empowerment activities based on community needs will influence the community to participate more and be responsible for the actions and success of community empowerment activities.

Furthermore, this impacts the realization of community independence which is the goal of community empowerment and the community's economy. According to Mardikanto & Soebiato (2015), an increase in income has an essential meaning so that people are increasingly convinced that the role of assistance or community empowerment provided is genuinely able to improve their lives, at least economically. So it can be concluded that awareness, participation, independence, and community income significantly influence the effectiveness of community empowerment.

CONCLUSIONS

The results showed an influence of village status on the effectiveness of community empowerment using village funds. A developed village will more effectively empower the community by using village funds than developing villages. In addition, community awareness, participation, independence, and community income have a positive and significant impact on the effectiveness of community empowerment using village funds in developed and developing villages.

REFERENCES

- Alfitri. (2011). *Community Development Teori dan Aplikasi*. Pustaka Pelajar.
- Anwas, O. M. (2013). *Pemberdayaan Masyarakat di Era Global*. Alfabeta.
- Arina, A. I. S., Masinambow, V., & Walewangko, E. N. (2021). Pengaruh Dana Desa Dan Alokasi Dana Desa Terhadap Indeks Desa Membangun Di Kabupaten Minahasa Tenggara. *Pembangunan Ekonomi Dan Keuangan Daerah*, 22(3), 22–41.
- Badan Pusat Statistik. (2019). *Persentase Penduduk Miskin Maret*. <https://www.bps.go.id/pressrelease/2019/07/15/1629/persentase-penduduk-miskin-maret-2019-sebesar->

9-41-persen.html

- Mardikanto, T., & Soebiato, P. (2015). *Pemberdayaan Masyarakat: dalam Perspektif Kebijakan Publik*. Alfabeta.
- Prayoga, I. M. A. S., Mulyati, D., & Rowa, H. (2020). Efektivitas Penggunaan Dana Desa dalam Meningkatkan Pemberdayaan Masyarakat di Desa Tulamben Kecamatan Kubu Kabupaten Karangasem. *Jurnal Ilmiah Administrasi Pemerintahan Daerah, Vol 12*.
- Republik Indonesia. (n.d.-a). *Peraturan Menteri Desa, Pembangunan Daerah Tertinggal, dan Transmigrasi Nomor 19 Tahun 2017 Tentang Penetapan Prioritas Penggunaan Dana Desa Tahun 2018*.
- Republik Indonesia. *Undang-Undang Nomor 38 Tahun 2003 Tentang Pembentukan Kabupaten Dharmasraya, Kabupaten Solok Selatan, dan Kabupaten Pasaman Barat di Provinsi Sumatera Barat*.
- Republik Indonesia. *Undang-Undang Nomor 6 Tahun 2014 Tentang Desa*.
- Sigit, T. A., & Kosasih, A. (2020). Pengaruh Dana Desa terhadap Kemiskinan: Studi Tingkat Kabupaten/Kota di Indonesia. *Indonesian Treasury Review Jurnal Perbendaharaan Keuangan Negara Dan Kebijakan Publik, 5(2)*, 105–119. <https://doi.org/10.33105/itrev.v5i2.170>
- Susilowati, N. I., Susilowati, D., & Hadi, S. (2017). Pengaruh Alokasi Dana Desa, Dana Desa, Belanja Modal, Dan Produk Domestik Regional Bruto Terhadap Kemiskinan Kabupaten/Kota Di Jawa Timur. *Jurnal Ilmu Ekonomi, 1*, 514–526.