MANAGEMENT OF VILLAGE FUND ALLOCATION FROM APBN AND ITS IMPACT ON VILLAGE ECONOMIC GROWTH IN INDONESIAN TERRITORY

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ABSTRACT

So far, development in the village can be said to be underestimated or carried out half-heartedly by the central government as well as by the regional government. This can be seen by the lack of expertise and competence of Human Resources (HR), the less optimal management of natural resources and the lack of value-added economic resources as well as access to infrastructure that is mediocre. This study aims to examine how the level of economic growth in villages in Indonesia after receiving allocation funds from the State Revenue and Expenditure Budget (APBN), where each village receives approximately 1.3 billion funds from the state. This research was conducted by involving the village community based on sampling which was tested by researchers regarding the village funds provided by the state have a significant impact or not on the economic growth of villages in the territory of Indonesia.

Keywords: Village, Village Fund, Regional Original Income (PAD)

INTRODUCTION

Problems in the village are not only related to human resources, but also natural resources, social and cultural resources, and even problems between one village community and another village community. These problems must be addressed and managed to provide added value for the village, especially in improving the welfare and economic growth of the village community. Various and diverse problems in the Village, both issues related to human resources, natural resources, social and cultural resources and various other issues. These problems must be managed and organized not only by the village government, but also requires assistance from the central government, the provincial government and district government officials and from academics or the world of campuses to answer these problems, a strategy is needed to overcome them.

The enactment of Law No. 6 of 2014 concerning villages became a major change to Village Government. Villages are expected to be independent. This means that the village can develop its territory according to its capabilities and can prosper the community through the efforts that have been programmed by the Government. With the disbursement of village funds, the village government must be able to plan, organize, actualize and control these programs. Many rural people are looking for work to the city. Because only in the city they get wages to support their families. They have abandoned the hereditary business in the village, such as in the tea plantations. Only the old tea pickers can no longer rely on their strength. Villages must change that paradigm. The paradigm that an independent village is a village that is able to implement the village fund program, as announced by the government, namely the four priority developments in the village including village reservoirs, village superior products, BUMDes and sports fields that can improve the community's economy through expanding employment and community business opportunities. village. Such programs can prevent urbanization, and villages can explore untapped potential, or redevelop existing businesses such as the tea plantation. Triatih et al (2014), stated that: there are five stages of rural economic development, namely: 1) study the characteristics of the village; 2) Technology identification 3) Potential sectors; 4) Mechanism; and 5) study institutions. The characteristics of the villages are very different, so that their livelihoods are also very diverse, ranging from farmers, breeders, fishermen, plantations, and have an effect on people's incomes and how well people use natural resources. Currently, technology is very decisive for the success of development in the village. First identify the technology needed to develop sectors that have economic potential, then implement strategies that can develop these economic sectors.

The results of the study (Akbar, 2018) that poverty alleviation in the village has not been maximized is caused by the village programs that have not directly hit the root of the problem of poverty itself. The lack of business fields and business opportunities in the village causes the economy of rural communities to decline and there is an economic gap in the village and in the city. The misplaced village fund program caused the youth to

leave businesses in the village to work in the city. The business fields that have been passed down for generations by the village community are no longer productive, and even tend to be abandoned. The village fund program which consists of the availability of village ponds, Prukades, Implementation of Mikik Desa Business Entities (BUMDes), and business opportunities has not been fully empowered in several villages in Purwakarta Regency. The results of empirical studies of researchers, such as BUMDes and village ponds as well as local village businesses are still difficult to develop. Human resources and village management must be able to develop the village fund program through community empowerment to be involved in BUMDes. Community empowerment is an effort to make the community independent in processing resources, both natural resources, finance and so on in the context of economic fulfillment. One way to empower communities in rural areas is to allocate village funds as stated in Law Number 6 of 2014 concerning village funds. Nyimas (2016) states that the purpose of providing village funds is to improve the welfare of rural communities. In fact, several villages in Purwakarta Regency have not yet fully experienced this welfare. This is because the village government has not involved the community to be active in managing village funds, for example working together to manage BUMDes.

For this management, a big strategy is needed that must be covered by regulations so that the management is in the right direction and does not cause problems in the future. One of the big strategies in village management is the need for a Law on Villages. The government issued Law Number 6 of 2014 concerning villages which is the foundation in managing the village towards a prosperous, independent village and the community participates in village development. In fact, in accordance with the facts on the ground that village funds that have been distributed by the Republic of Indonesia through the State Budget for 5 (five) years have not had a significant impact either in terms of reducing unemployment, creating employment opportunities, forming village business entities, improving people's welfare and increasing activities. economy in Indonesian villages.

METHODS

Based on the objectives to be achieved in this study, the data were analyzed descriptively and quantitatively. The analytical model used is as follows: validity and reliability test, descriptive statistics, classical assumption test, multiple regression analysis, which is processed using the SPSS program.

Multiple linear regression analysis was used to test the causal relationship between one dependent variable and several independent variables.

Multiple regression analysis method with the formula (Sudjana, 1999:47):

$$Y = b_0 + b_1X_1 + b_2X_2 + b_3X_3 + b_4X_4 + b_5X_5 + b_6X_6 + b_7X_7 + b_8X_8 + e_i$$

Y	= Village Fund from APBN
X1	= Economic Growth
X2	= Construction of Village Facilities and Infrastructure
X3	= Creating a Village Owned Enterprise
X4	= Reducing Unemployment
X5	= Open Jobs
X6	= Improving Public Health
X7	= Reduce Urbanization
X8	= Transparent and Accountable
b1, b2,b3, b4, b5,b6,b7,b8	= Regression Coefficient (Parameter)
b0	= Constant (Intercept)
ei	= Error Factor

Furthermore, to determine the effect and the level of significance used = 0.05 or 5% can be tested using the F-test and t-test.

To test the analysis hypothesis simultaneously, multiple correlation coefficients (R) and multiple determination coefficients (R2) were used. The coefficient of multiple determination is used to determine the closeness of the influence between the independent variable (X) on the dependent variable (Y) simultaneously by

seeing whether the coefficient values obtained are significantly different or not by using the F test between the calculated F and the F table at a confidence level of 5% (=0.05). The calculated F formula is as follows (Sulaiman, 2004: 87):

$$F \text{ count} = \frac{R^2 / k}{(1-R2)/(n-k-1)}$$

Information:

R^2 = coefficient of determination

k = number of independent variables

n = number of samples

F = hypothesis test

     The assessment criteria are:

a) F count > F table, or p value < = 0.05, then the null hypothesis (Ho) is rejected

b) F count < F table, or p value > = 0.05, then the null hypothesis (Ho) is not rejected

     To partially test the analysis hypothesis, the test tool used is the partial correlation coefficient (r) or multiple regression coefficient (β). Multiple regression coefficient is a test tool to determine and measure the variables that have a close influence on the dependent variable (Y) partially. This test uses the t-test to see whether the coefficient values obtained are significantly different or not between t-count and t-table at the 5% confidence level ($\alpha=0.05$). The t-count formula is as follows (Sulaiman, 2004: 87):

$$t(\beta i) = \frac{bi - i}{SE (bi)}$$

Information:

bi = regression coefficient

i = hypothesized i parameter

SE (bi) = standard error of regression coefficient (standard error of bi)

     The assessment criteria are:

a) Determine meaningful variables by comparing tcount with ttable, if tcount > ttable, or p value < =0,05 then it is significant.

b) From the significant variables, the dominant variable is selected.

     To find out how big the contribution of each independent variable and the most decisive (dominant) effect on the dependent variable of a linear regression model, the beta coefficient (Beta Coefficient) of each standardized variable (standardized coefficient) is used. The largest beta (β) value indicates that the independent variable has a dominant influence on the dependent variable (Sritua, 1993; in Wicaksono, 2006).

RESULT AND DISCUSSION

The following are the results of multiple linear regression calculations using IBM SPSS 22.

Table 1. Multiple Regression t-test Result

Coefficients[a]

Model		Unstandardized Coefficients		Standardized Coefficients	t	Sig.
		B	Std. Error	Beta		
1	(Constant)	39.781	8.059		4.936	.000
	Pertumbuhan Ekonomi	-.171	.281	-.067	-.607	.545
	Sarana Prasarana Desa	-.111	.314	-.038	-.353	.725
	Badan Usaha Milik Desa	-.166	.244	-.065	-.681	.497
	Mengurangi Pengangguran	.075	.345	.025	.218	.828
	Kesempatan Kerja	.821	.290	.287	2.831	.006
	Kesehatan Masyarakat	-.204	.339	-.048	-.601	.549
	Urbanisasi	1.173	.255	.512	4.595	.000
	Transparan dan Akuntabel	.211	.085	.238	2.475	.015

a. Dependent Variable: Dana Desa

From the table above, the following multiple linear regression equation can be obtained:

$$Y = 39{,}781 - 0{,}171\ X1 - 0{,}111\ X2 - 0{,}166\ X3 + 0{,}075\ X4 + 0{,}821\ X5 - 0{,}204\ X6 + 1{,}173\ X7 + 0{,}211\ X8$$

Based on the results of the t-test, it is known that there are 3 (three) variables that affect Village Fund Management, that Employment opportunities, where village funds indirectly affect poverty reduction by providing various employment opportunities. Urbanization, where village funds can reduce the rate of urbanization by supporting the community's economy and improving the quality of life of the community. Transparency and accountability, which shows that honestly and monetary responsibility have a significant effect.

Table 2. Multiple Regression F-test Result

ANOVA[a]

Model		Sum of Squares	df	Mean Square	F	Sig.
1	Regression	8785.083	8	1098.135	16.816	.000[b]
	Residual	5942.557	91	65.303		
	Total	14727.640	99			

a. Dependent Variable: Dana Desa

b. Predictors: (Constant), Transparan dan Akuntabel, Mengurangi Pengangguran, Kesehatan Masyarakat, Badan Usaha Milik Desa, Sarana Prasarana Desa, Kesempatan Kerja, Pertumbuhan Ekonomi, Urbanisasi

Based on these results, it shows that the variables of economic growth, village infrastructure, village-owned enterprises, reducing unemployment, job opportunities, public health, urbanization and transparency and accountability simultaneously have an effect on the variables of village fund management.

Table 3. Multiple Regression R^2 Result

Model Summary

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	.772^a	.597	.561	8.08102

a. Predictors: (Constant), Transparan dan Akuntabel, Mengurangi Pengangguran, Kesehatan Masyarakat, Badan Usaha Milik Desa, Sarana Prasarana Desa, Kesempatan Kerja, Pertumbuhan Ekonomi, Urbanisasi

Based on the table above, it can be seen that the magnitude of R2 is 0.597, this means that 59.7% of the variation in village fund management (Y) can be explained by variations of the four independent variables of economic growth, village infrastructure, village-owned enterprises, reducing unemployment, employment opportunities, public health, urbanization as well as transparency and accountability. While the rest can be explained by other reasons outside the regression model.

CONCLUSION

Based on the results of research and analysis, it can be concluded as follows.

1. Based on the results of the t-test, it appears that partially there are 3 variables that affect the management of village funds, namely employment opportunities, urbanization and transparency and accountability.

2. Based on the results of the F test, it is proven that simultaneously economic growth, infrastructure, village-owned enterprises, reducing unemployment, job opportunities, public health, urbanization and transparency and accountability affect the management of the village funds.

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