

Implementation of the Use of Village Funds in Improving Community Welfare in Jailolo District, West Halmahera Regency, North Maluku Province

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Abstract:

Purpose:

This research aims to determine, implement, and use the village budget to improve the community's welfare in the Jailolo sub-district, West Halmahera Regency. Therefore, planning for the implementation and accountability of the Village Government is needed. Oversight by the West Halmahera Regency Government plays a vital role in improving community welfare through the village budget.

Methodology:

This research uses qualitative methods, interviews with the Village Government of the Jailolo District, and directly with the community. This research also limits research to choosing which data are relevant and which are irrelevant.

Findings:

The results of this study indicate that administratively the management of the Village Government is very effective in the planning, implementation, and accountability of ADD. There are still many things that need to be evaluated by the Jailolo Village Government in terms of improving community welfare through the village budget. Especially in terms of reporting, the village government consistently reports village funds to the village head every month.

Implication:

The government of West Halmahera Regency aims to enhance the management of village funds by implementing better supervision. It will involve obtaining reports from the Village Head, who is responsible for the funds. The objective is to ensure that village development aligns with the RPJMD and RKPD, creating a unified system in the development area.

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INTRODUCTION

The Indonesian government is currently trying to strengthen the implementation of the National Development Plan so that the speed of regional development, including village development, is more equitable. Law Number 23 of 2014 concerning Regional Government explains that local governments are given the authority to regulate and manage their household affairs in terms of planning, financing, and implementation, which is one of the government's efforts to build a better Indonesia. In this case, the Regional Government has complete control over policy, planning, implementation, and financing. It is supported by Village Law No. 6 of 2014, often called the Village Law (Alting, 2021).

Moehar et al. (2005) explained the meaning of this implementation by saying that understanding what happened after a program was declared effective or formulated was the focus of attention on policy implementation, namely events, and activities that arose after the ratification of state policy guidelines, which includes both efforts to administer and to cause real effects/impact on society or events.



The Village Law has positioned the village as the spearhead of developing and improving people's welfare. Villages are given adequate authority and funding sources to manage their potential to improve the economy and people's welfare. Every year the Central Government has budgeted village funds which are large to be given to villages. Starting in 2015, Village Funds are budgeted at IDR 20.7 trillion, with an average allocation of IDR 280 million for each village. (Development et al., 2022).

Welfare is several satisfactions that a person gets from consuming the income received. However, the level of welfare itself is relative because it depends on the amount of satisfaction obtained from consuming the income. The link between the concept of welfare and the concept of needs is that the fulfillment of these needs is indirectly in line with welfare indicators (Arifin, 2015). Welfare is an order of life and social, material, and spiritual livelihood which is filled with a sense of safety, decency, and inner and outer peace that allows every citizen to make efforts to fulfill the best possible physical, spiritual, and social needs for himself, his household, as well as society.

In North Maluku Province, the Village Fund budget increases every year. In 2019 the total Village Fund budget was 891.60 billion. Then in 2020, the total Village Fund budget will increase to 910.39 billion. The latest Village Fund budget in 2021 has increased again to 919,556. (Setiawan, et al., 2022).

In several regencies, not all spent the Village Fund budget disbursed; in West Halmahera Regency (Halbar) in 2019, the budget pagu was 130.45 billion, but only 99% was distributed to the community. Central Halmahera Regency has a budget pagu of 58.09 billion, and 100% of it is distributed to the public. In 2020 the pattern of not spending the Village Fund budget pagu of 100% of the budget still occurs. In Pulau Taliabu Regency, with a village fund budget pagu of 63.95 billion, only 99.97% is distributed to the community. Meanwhile, other districts spent 100% of the 2020 Village Fund. (Alting, 2021).

Table 1. Pagu and Village Fund Realization 2019-2020 (In billion rupiah).

No	2019			2020			
	Region	Pagu	Realization	%	Pagu	Realization	%
1	Central Halmahera Regency	58,09	59,09	100,00	60,80	60,80	100,00
2	West Halmahera Regency	130,45	130,19	99,8	132,39	132,39	100,00
3	East Halmahera Regency	97,79	97,79	100,00	99,24	99,24	100,00
4	South Halmahera Regency	194,26	194,26	100,00	196,44	196,44	100,00
5	North Halmahera Regency	152,02	152,02	100,00	153,70	153,70	100,00
6	Sula Archipelago District	73,75	73,75	100,00	76,22	76,22	100,00
7	Tidore Island City	45,74	45,74	100,00	48,01	48,01	100,00
8	Morotai Islands Regency	75,51	75,51	100,00	77,42	77,42	100,00
9	Taliabu Island district	63,95	63,95	100,00	66,14	66,14	99,99
	Total	891.60	891.33	99,97	910,39	910,38	99,99

The Village Pagu and allocation in North Maluku Province increased from 891.60 billion in 2020. Meanwhile, in 2021, the Village Fund budget ceiling increased by 919.556 billion. It affects all urban regencies in North Maluku Province, including West Halmahera Regency, from 130.45 billion to 132.394 billion.

Based on research conducted by Abidin (2015) regarding a review of the implementation of village finance in support of village fund policies, the implementation of village finance by the village government has been based on Permendagri No. 37 of 2007 concerning Guidelines for Village Financial Management. Another study by Rahayu (2017) shows that the mechanism for managing village funds in Kalikaten is following the instructions for village fund management technicians. However, the results of managing village



funds have not been able to maximize community welfare because the allocation of funds is only intended for developing and improving physical infrastructure.

Adi's research (2015) on Total Quality Management in Village Financial Management says that total Quality Management is needed in private companies and the public sector and is also very beneficial for TQM. Firmansyah's research (2018) shows that financial management in Rawa Bird Village has generally been carried out accountable and transparently following the provisions of Permendagri Number 113/14. Research by Ferarow (2018) shows that there are dynamics in Sumberadi village financial management that can fulfill the principles of transparency and village financial management.

Implementation is a series of activities to deliver policies to the community so that these policies can bring the expected results. The series of activities include preparing a set of follow-up regulations which are the interpretation of the policy and preparing resources to drive implementation activities, including facilities and infrastructure, financial resources, and, of course, determining who is responsible for implementing the policy. Third, how to deliver concrete policies to the community (Syaukani et al., 2004).

Previous research was also carried out by Nugroho (2019) showing that in the implementation of village financial management in Sriharjo Village, Imogiri District, Bantul Regency, it had not fully referred to the provisions of the applicable laws and regulations, it was still heavily influenced by the habitual pattern of taking it easy by the elite village government apparatus that existed at that time.

Based on the explanation above, this study aims to analyze the implementation of village funds in improving community welfare in Jailolo District, West Halmahera Regency, North Maluku Province.

METHODS

The focus of this research is to limit studies to qualitative and to limit research to select which data are relevant and which are irrelevant (Moleong, 2010). The limitations in this qualitative research are based more on the level of importance/urgency of the problems encountered in this research. This research will analyze the implementation of Village Fund users on community welfare in Jailolo District, West Halmahera Regency, North Maluku Province. In this study, the determination of the sample from the population is based on the Harsimi Arikunto standard (2010); that is, if the subject or population is less than one hundred, it is better to take all of them so that the research is a population study, and if the subject is more than that then a sample of between 5% -10% or 15% can be taken -25%. This study took a sample of 10%, so it was found that the sample size of the total population was 40 residents because the total population was 1409 residents.

RESULT AND DISCUSSION

How the village government manages the Village Fund in Jailolo District. The increase in HDI data for West Halmahera Regency can be seen as follows: In 2019, human development in West Halmahera Regency improved. BPS, in collaboration with UNDP and Bappenas, has categorized the HDI of a region into four categories: very high (HDI score 80 and above), high (HDI score 70-79), medium (HDI score 60-69), and low (HDI score 60 -69). (HDI value below 60). Based on this classification, the HDI of West Halmahera Regency has been in the moderate category since 2013 and will remain there until 2019. Figure 1 shows this.

Figure 1 HDI for West Halmahera Regency in 2016-2020 The development of HDI for West Halmahera Regency over the last five years has generally increased. However, in 2020 there was a decrease in the HDI rate of 0.03. This decrease was influenced by the outbreak of the COVID-19 pandemic, which affected the leading HDI constituent indicator, namely actual spending per capita. The shock caused by the pandemic was not only felt in West Halmahera Regency but also in all regions in Indonesia and even the world. Meanwhile, the components of life expectancy, length of schooling, average schooling, and per capita expenditure can be seen in Tables 2 and 3.



Source: Central Statistics Agency of Indonesia

Figure 1. West Halmahera Regency HDI

Table 2. HDI component of West Halmahera Regency in 2013 – 2020

Indicator (1)	Year							
	2013 (2)	2014 (3)	2015 (4)	2016 (5)	2017 (6)	2018 (7)	2019 (8)	2020 (9)
Life Expectancy (years)	64,87	65,15	65,35	64,45	65,55	65,78	66,13	66,25
Expected School Years (in years)	11,92	12,15	12,61	13,05	13,06	13,07	13,08	13,19
Average Length of Schooling (in years)	7,55	7,71	7,77	7,86	7,87	7,88	8,12	8,35
Adjusted Per Capita Expenditure (thousand rupiahs)	6.668	6.697	6.889	7.076	7.266	7.418	7.660	7352
HDI	61,47	62,06	62,97	63,83	64,19	64,54	65,34	65,31

Source: West Halmahera Regency Central Statistics Agency

Table 3. Growth of the HDI Components of West Halmahera Regency in 2017-2019

Component	Year		
	2017	2018	2019
Life Expectancy Age	0,15	0,35	0,53
Expected School Years	0,08	0,08	0,08
Average Length of Schooling	0,13	0,13	3,09
Per Capita Expenditure	2,69	2,09	3,36

Source: West Halmahera Regency Central Statistics Agency

When looking at each HDI component to the total HDI, in 2019, the highest growth in the HDI component was in the per capita expenditure component. Per capita expenditure growth in 2019 reached 3.26 percent, higher than the previous year's growth (2.09 percent). Meanwhile, the health and education components experienced growth ranging from 0 to 3.05 percent. Higher per capita growth, among other components, indicates an increase in people's welfare through increased yearly consumption patterns.

The first dimension is the health dimension, measured through Life Expectancy, a tool used to evaluate government performance in the welfare of the population in general and improving health status.

This figure reflects the average number of years of life that will still be lived by a person who manages to reach the age of x in a particular year in the overall mortality in his community. If the population's health is good, long-life expectancy can be achieved. In general, the health condition of West Halmahera

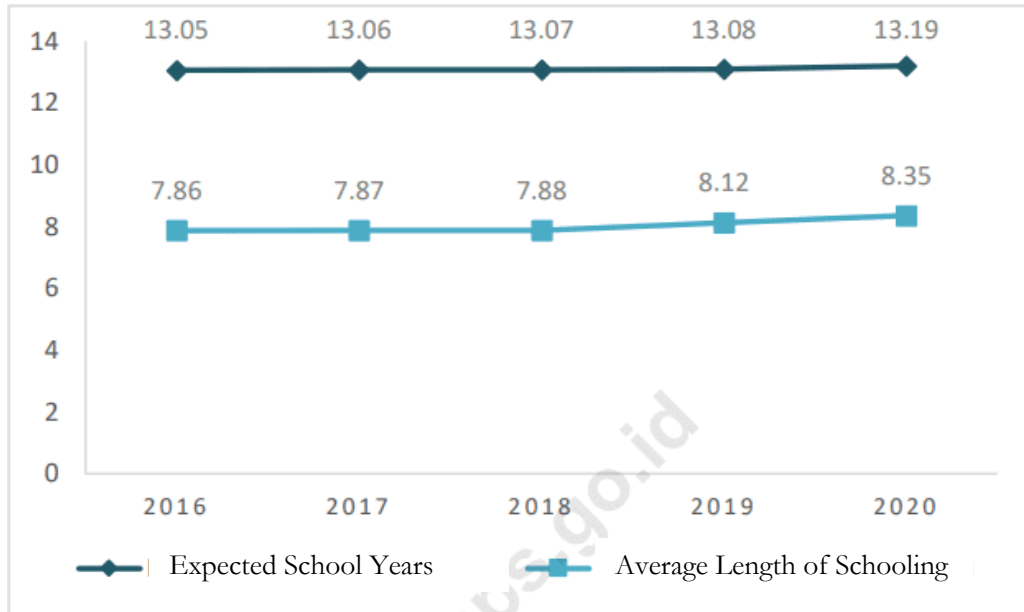
Regency, as measured by Life Expectancy, is improving. In 2013, the average life expectancy was 64.87 years. Life expectancy will increase by 0.12 points to 66.25 years in 2020. As a result of this growth, the average population of West Halmahera is expected to live to be 66 to 67 years old. Figure 4.6 illustrates life expectancy in West Halmahera Regency.



Source: West Halmahera Regency Central Statistics Agency

Figure 2. Life Expectancy at Birth in West Halmahera Regency 2016-2020 (Year)

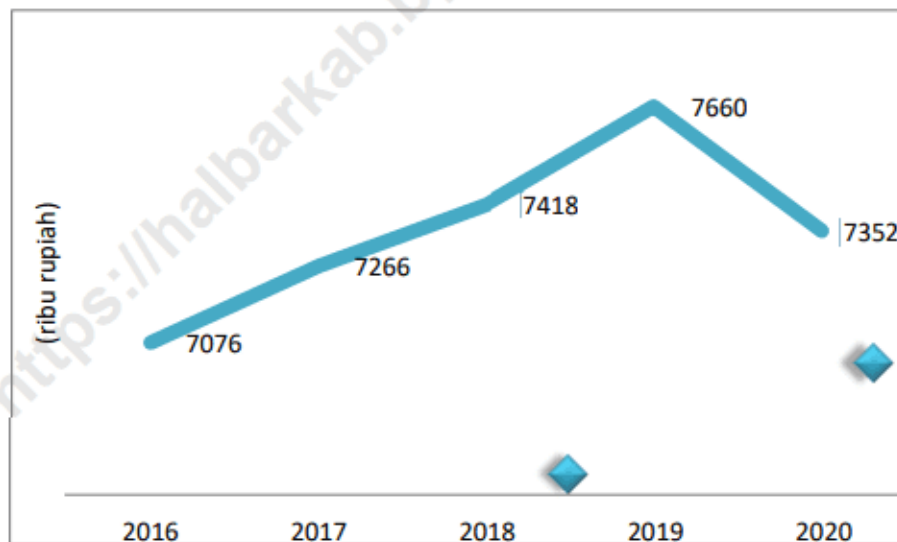
The second dimension is the knowledge dimension, where the Old School Expectation Rate and the Average Years Schooled of the population of West Halmahera Regency. Over the past five years, the Old School Expectancy has increased by 0.11 points, from 13.05 years in 2016 to 13.19 years in 2020. The 13.19 figure shows that seven-year-old residents in West Halmahera Regency can experience education for 13.19 years or up to Diploma I. Meanwhile, for the average length of schooling, In West Halmahera Regency, the population aged 25 and up has been studied for an average of 8.35 years, or equivalent to grade 2 of Junior High School/equivalent.



Source: West Halmahera Regency Central Statistics Agency

Figure 3. Expected Years of Schooling and Average Years of Schooling in West Halmahera Regency 2016-2020 (Year)

Per capita expenditure, as an estimate of per capita income, is the third dimension of HDI. Expenditure per capita in West Halmahera Regency has increased over the last six years. In 2016, residents of West Halmahera Regency spent IDR 7,076,000 per capita, which is expected to increase to IDR 7,352,000 in 2020.



Source: West Halmahera Regency Central Statistics Agency

Figure 4. Expenditure per Capita in West Halmahera Regency, 2016-2020 (thousand rupiahs)

In 2020 the consumption level of the people of West Halmahera Regency will be higher than the previous year. In 2020, the COVID-19 pandemic affected people's income, so spending per capita decreased.

The level of public consumption cannot be separated from the level of income of the community; the higher the level of income, will increase the pattern of consumption of the community.

The description of the income level of the population of West Halmahera Regency can be reflected in the economic conditions of the population. The macro conditions in West Halmahera Regency, economic growth in 2020 contracted or -0.06 percent, far below previous years' figures. The GRDP of West Halmahera Regency experienced an increase of IDR 38.5 billion in 2019 and IDR 201.5 billion in 2018. The increase in value in 2020 was lower than in previous years due to the COVID-19 pandemic shock.



Source: West Halmahera Regency Central Statistics Agency

Figure 3. Expenditure per Capita in West Halmahera Regency, 2016-2020 (thousand rupiahs)

Paired T Test Bivariate Test. Bivariate analysis at this stage was examined using the paired t-test, which can be identified as follows:

Table 4. Bivariate Analysis Table (Paired T-Test)

	Mean + SD	Sig.	Information
PreTest	1396.088500±3039.1661363	0,370	No Influence
PostTest	1515.185500±3303.2419040		

Source: Primary Data

The table above states that the pretest does not affect the post-test with a significance value on the paired t test results ($P = 0.370 > 0.05$).

Bivariat Test Paired T Test. Bivariate analysis at this stage was examined using the paired t test, which can be seen as follows.

Table 5. Bivariate Analysis Table (Paired T-Test)

	Mean + SD	Sig.	Information
PreTest	0.7625 ± 1.28534	0,230	No Influence
PostTest	1.7650 ± 1.69942		

Source: Primary Data

The table above states that the pretest does not affect the post-test, with a significant value on the paired t test results showing ($P = 0.230 > 0.0$).

CONCLUSION

In Jailolo Subdistrict, West Halmahera Regency, the ability of the village government to manage village funds has been demonstrated, as evidenced by the process of planning the use of village fund budgets initiated by each village, followed by Musrenbang activities at the hamlet level, and finally finalized at the Musrenbang level. The RKPDes are then used to determine the village (Village Work Plan).

Village fund budgeting procedures run smoothly, especially regarding reporting; The village government consistently reports village funds to the village head every month. This accountability report has been carried out properly through the Village Fund budget accountability process in Jailolo District, West Halmahera. The Village Consultative Body was formed to fulfill the role of the village consultative body.

1. Non-physical development can be seen in the empowerment of farmers, women, and youth, which has been realized and has experienced significant development.
2. The impact of Village Allocation Funds on Increasing Community Welfare can be seen indirectly in the indicators of increasing HDI in West Halmahera Regency, especially in several components, such as increasing the human development index, which consists of life expectancy components. 66.25, the school expectation is 13.19 years, the school average is 8.35, and the per capita expenditure is Rp. 7.35 million.

Suggestion. Generally, the village fund policy in Jailolo District, West Halmahera Regency, has followed the guidelines but still needs improvement. As a result of this investigation, to improve the management of village funds, the West Halmahera Regency government is expected to improve supervision of village funds through reports submitted by the Village Head as the person in charge so that village development will support the RPJMD and RKPDes as a unified system. in the development area. Moreover, as a new district, West Halmahera needs more personnel resources in quality and quantity.

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