The Impact of Village Fund Program Implementation Toward Society Welfare in Indonesia

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ABSTRACT

This study aims to prove empirically the impact of village fund program implementation towards society welfare in indonesia. The independent variable in this study is the amount of village funds in all provinces in Indonesia. While the dependent variable in this study is the level of welfare of the people in Indonesia. The sample used in the study was all provinces in Indonesia that received village funds from 2015 to 2017. The data used in this study was obtained from secondary data published by the Supreme Audit Agency and the Central Statistics Agency. The analysis tool that will be used is the analysis of Simple Linear Regression using the SPSS program (Statistical Package for Social Science) Version 20. The results in this study indicate that the village fund program influences the level of welfare of the society in Indonesia.
Keywords: *village funds, community welfare*

1. INTRODUCTION

In the context of Indonesian politics in the run-up to the 2014 Presidential Election, the term nawacita refers to the vision and mission used by the presidential and vice-presidential candidates Joko Widodo and Jusuf Kalla to contain the pair's government agenda. In the vision and mission, nine main agendas (nawacita) were presented to continue Soekarno's struggle and ideals known as Trisakti, namely political sovereignty, independence in the economy, and personality in culture. One of the government's priority agenda is Building Indonesia from the suburbs by strengthening regions and villages within the framework of the Unitary State.

According to Law Number 6 of 2014, a village is a legal community unit that has territorial boundaries that are authorized to regulate and manage government affairs, the interests of local communities based on community initiatives, original rights, and / or traditional rights that are recognized and respected in the system. Government of the Unitary Republic of Indonesia

In order to realize this concept, the government then launched a One Billion One Village program. The program aims to increase efforts to reduce poverty and reduce inequality, increase the capacity of development planning and budgeting at the village level and community empowerment, improve rural infrastructure development, improve peace and public order services, improve services to rural communities in order to develop community social and economic activities, encouraging increased community self-reliance and mutual cooperation, increasing village and village community income through Village-Owned Enterprises (BUMDes), increasing village independence and increasing village competitiveness.

The one billion one village program was allocated for the 2015 budget. The allocation of Village Funds was mandated by Law Number 6 Year 2014 concerning Villages and Government Regulation (PP) Number 60 of 2014 concerning Village Funds originating from the Revenue and Expenditure Budget State (APBN). Allocation of village development funds will be transferred directly through the village government account after the request letter from the village head is concerned to withdraw the funds addressed to the regent through the Head of the Community and Government Empowerment Agency Village (BPMPD). A well-run program has a huge influence on community empowerment in terms of development, health, education and in other fields of empowerment in a village in each district in Indonesia.

This program is also fully handled independently by the village government and the community. It is expected that the Village Funds channeled can improve community welfare in rural development. Community welfare is a condition that shows the state of community life that can be seen from the standard of living of the community (Badrudin 2012). Welfare is a condition where a person can fulfill his basic needs, be it the need for food, clothing, shelter, clean drinking water and the opportunity to continue his education and have adequate work that can support his quality of life so that his life is free from poverty, ignorance, fear, or worry so that his life is safe, peaceful, both physically and mentally (Fahrudin, 2012).

According to Soetomo (2014: 47) welfare is a condition that contains elements or components of order-security, justice, peace, prosperity and organized life which has broad meaning not only in the creation of order and security but also justice in various dimensions. Peaceful conditions better describe the dimensions of sociology and psychology in social life. A life that feels comfortable,

protected, free from fear intended to face tomorrow. Thus the desirable welfare condition is not only a picture of life that is fulfilled physically, materially, but also spiritually, not only the fulfillment of physical but also spiritual needs. Research conducted by Tahir (2018), examines the influence of Village Fund Allocation on Empowerment and Improvement of Community Welfare in Jaya Makmur Village, Binongko District, Wakatobi Regency. The results showed that the Village Fund Allocation had a positive and significant effect on Community Empowerment and Improvement of Community Welfare.

Lalira (2018), examines the influence of Village Fund Allocation on Poverty Rates in Gemeh District, Talaud Islands Regency. The results showed that the Village Fund Variable Allocation and Village Fund Allocation did not affect the level of Poverty in Gemeh Subdistrict, Talaud Islands Regency.

Research conducted by Sari (2017), examines the Economic Analysis of Village Fund Policies on Village Poverty in Tulung Agung Regency 2015-2017. The results showed that the Village Fund and Village Fund Allocation were effective in reducing poverty levels in 13 villages in Tulung Agung District, while the remaining 114 villages, village funds were not effective in reducing village poverty levels, because village funds were mostly used for infrastructure development.

The development of village communities is directed to optimally utilize the potential of natural resources and the development of human resources by increasing the quality of life, skills and initiatives with guidance and assistance from the government. Human Development Indeks (HDI) is comparative measurement of life expectancy, literacy, education and living standards for all countries throughout the world. HDI is used to classify whether a country is a developed country, a developing country or an underdeveloped country and also to measure the effect of economic policies on quality of life. Therefore, researchers prefer to research the program because if these funds are managed properly and honestly, the results of development will be seen more clearly.

2. RESEARCH DESIGN AND METHODOLOGY

2.1. Data Sources

Data used in this study are secondary data in the form of data on the amount of village funds in all provinces in Indonesia and data on the level of community welfare in Indonesia measured using Human Development Index (HDI) data in all provinces in Indonesia that can be obtained through publication from the website: http://www.bpk.go.id or coming directly to the Office of the Supreme Audit Agency and website: http://www.bps.go.id or coming directly to the Central Statistics Agency Office.

2.2. Population and Research Samples

The population used in this study were all provinces in Indonesia that received village funding programs. While the study sample was all provinces in Indonesia that received village funds from 2015 to 2017. The sampling technique was carried out through a purposive sampling method, which has certain criteria in sampling. The criteria used are;
a. Provinces in Indonesia that received village funds for 3 consecutive years from 2015 to 2017.
b. Provinces in Indonesia which have complete data on the Human Development Index (HDI) for 3 consecutive years from 2015 to 2017.

2.3. Research Variable

2.3.1. Dependent Variable

Dependent variable is used in this study as the level of community welfare in Indonesia that measured by the Human Development Index (HDI) in all provinces in Indonesia. Based on Law No. 11 of 2009 concerning Social Welfare, states that social welfare is a condition of meeting the material, spiritual and social needs of citizens in order to live properly and be able to develop themselves, so that they can carry out their social functions.

2.3.2. Independent Variable

The independent variable used in this study is the Number of Village Fund in all Provinces in Indonesia. Village Funds in Government Regulation Number 60 of 2014 are Funds sourced from the state revenue and expenditure budget intended for Villages that are transferred through the regency / city regional revenue and expenditure budget and are used to finance governance, development implementation, community development.

2.4. Data Analysis Technique

2.4.1. Descriptive Statistics

Descriptive statistics provide a description or description of the data. Descriptive analysis is presented using descriptive statistical tables that describe the maximum,

minimum, average (mean) values. The maximum and minimum are used to see the maximum value and are used to estimate the estimated population mean of the sample. This is needed to see the overall picture of the sample collected based on the criteria.

2.4.2. Normality Test

Normality test is used to test whether in the regression model, confounding or residual variables have a normal distribution. As it is known that the t test and F test assume that residuals follow the normal distribution, if this assumption is violated then the statistical test becomes invalid (Ghozali, 2009). Normal or not residual distribution, one of which can be done with Kolmogorov-Smirnov statistical test. Kolmogorov-Smirnov test is done by making a hypothesis:

Ho: Residual data are normally distributed
Ha: Residual data are not normally distributed

If the probability number $<\alpha = 5\%$ means that H0 is rejected, and the data is not normally distributed. Conversely, if the probability value$> \alpha = 5\%$, then H0 fails to be rejected, and the residual data are normally distributed.

2.5. Hypothesis Testing

2.5.1. Simple Linear Regression Test

The analytical method used in this study is simple linear regression analysis (Simple Linear Regression) with testing using SPSS (Statistical Package for Social Science) Version 20. This simple linear regression analysis is used to see the relationship between the independent variables and the dependent variable. The regression model used in this study is:

KM= α + β_IDD + e

Information:
KM	: Public Welfare
DD	: Village Fund Amount
α	: Constanta
β	: RegressionCoefficient

2.5.2. Coefficient of Determination (R^2)

Coefficient of Determination (R^2) is basically used to measure how far the ability of the model in explaining the

variation of the dependent variable. The value of the ability of independent variables in explaining the dependent variable is very limited. A value close to one means that the independent variables provide almost all the information needed to predict the dependent variable (Ghozali, 2009).

2.5.3. Statistical Test F

F test is used to test whether the regression model used is feasible. The provisions used in the F test are as follows:
1. If the F count is greater than the F table or the proportion is smaller than the level of significance (Sig <0.05), then the research model can be used or the model is not feasible.
2. Then if F count is smaller than F table or propability is greater than the level of significance (Sig.> 0.05), then the research model model cannot be used or the model is not feasible.
3. Next compare the calculated F value with the F value according to the table. If the F count is greater than the F table value, then the research model is appropriate.

2.5.4. StatisticalTest T

Statistical Test Tis used to test between independent variables to the dependent variable with the assumption that other variables are considered constant with a 95% confidence level (a = 0.05). This test is carried out to see the regression coefficients individually research variables (Ghozali, 2011). Decision making is based on a comparison of t-count values with t-tables drawing conclusions in this test based on: If t arithmetic> t table, Ha is accepted, and If t arithmetic <t table, Ha is rejected.

3. FINDINGS AND CONCLUSIONS

3.1. Descriptive statistics

Based on **Table 1**, it can be seen that, from the Provinces of Indonesia that were sampled, counted over a period of 3 years and made the results of the objects in this study as many as (N) 99. From the descriptive test results obtained in the form of N values or total testing of each sample, the minimum value of each sample tested, the maximum value of each sample tested, the mean and standard deviation for each independent or dependent sample of each sample tested.

From the table above it can be seen that, in the indpendent variable, namely the Village Fund, the minimum (lowest) valu eis 79199724.00, then the maximum (highest) value is 6384442058, then the mean value (average) is 12903866660 and thes tandardd eviation is 1379231245. As

for the dependent variable Using the Development Index, the minimum (lowest) value of 57.25, then the maximum (highest) value of 78.89, then the mean (average) of 68.8482 and the standard deviation of 3.75801.

Table 1 Descriptive statistics result

Descriptive Statistics

	N	Minimum	Maximum	Mean	Std. Deviation
DD	99	79199724.00	6384442058	1290386660	1379231245
KM	99	57.25	78.89	68.8482	3.75081
Valid N (listwise)	99				

Source : SPSS Output

3.2. *Normality Test Results*

Table 2 states that the results of the normality test using the Kolmogorov-Smirnov presented in the table above, the value of the village fund variable shows that the Kolmogorov-Smirnov test results are 0.441 with a significance level of 0.990.

Table 2 Normality test result

One-Sample Kolmogorov-Smirnov Test

		DD	KM
N		99	99
Normal Parameters[a,b]	Mean	20.5113	68.8482
	Std. Deviation	.98426	3.75081
Most Extreme Differences	Absolute	.044	.110
	Positive	.043	.110
	Negative	-.044	-.109
Kolmogorov-Smirnov Z		.441	1.098
Asymp. Sig. (2-tailed)		.990	.179

a. Test distribution is Normal.

b. Calculated from data.

Source :SPSS Output

While the value of the HDI variable shows that the results of the Kolmogorov-Smirnov test were 1.098 with a significance level of 0.179. if the significance value is greater than 0.05 then this test shows that the data is normally distributed, but if on the contrary where the significance level is below 0.05 then the research data test is not normal. In the table above, the significance level shows the value of 0.990 and 0.179 is greater than 0.05. Data normality testing is done with the test criteria using a significant value of 0.05 then the interpretation is that if the Asymp.sig (2-tailed) value is above alpha 0.05 then the data distribution is stated to meet the normality assumption, and if the value is below 0.05 then interpreted as abnormal. From the results of the above output, it can be concluded statistically that the independent and dependent variables in

this study have data that are normally distributed because they have significance values above 0.05. So that this research can be continued.

3.3. *Regression Equation*

Based on the output in Table 3 above, a simple linear regression equation is written as follows:

$$KM = \alpha + \beta_I DD + e$$

Information:
KM   : Public Welfare
DD   : Village Fund Amount
α : Constanta
β : RegressionCoefficient
e   : *error*

The equation of simple linear regression which can be made based on Table 3 is:

$$Y = 85{,}296 - 0{,}802X_1 + e$$

Table 3 Regression equation result

Coefficients[a]

Model		Unstandardized Coefficients		Standardized Coefficients	t	Sig.
		B	Std. Error	Beta		
1	(Constant)	85.296	7.767		10.981	.000
	DD	-.802	.378	-.210	-2.120	.037

a. Dependent Variable: KM

Source :SPSS Output

3.4. *Determination Coefficient*

Determination Coefficient (R) is used to measure how far the model's ability to explain variations in the dependent variable. The coefficient of determination is between zero and one. If the value of R is small, it means that the ability of independent variables in explaining the dependent variable is very limited. Whereas if the value of R approaches one, it means that the independent variables provide almost the information needed to predict the variation of the dependent variable. The following are the results of the calculation of determination (R):

Table 4 Determination coefficient

Model Summary

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	.210[a]	.044	.034	3.68568

a. Predictors: (Constant), DD

Source :SPSS Output

Table 4 shows that it can be seen the coefficient of determination (R) value is 0.210. This shows that 21% of the community welfare variable is influenced by the village funding program. While there maining 79% isinfluenced by other variables not included in the regression model, thus it can be said that the level of relationship between the independent variable and the dependent variable is weak.

3.5. Statistical Test F

Statistical Test F is used to test whether the regression model used is feasible or not feasible. The provisions used in this F test are, if the F count is greater than the F table or the probability is smaller than the level of significance (Sig <0.05), then the research model can be used or the model is feasible. Then if the F count is smaller than the F table or the probability is greater than the level of significance (Sig.> 0.05), then the research model cannot be used or the model is not feasible. Following are the results of the test table of the regression model between variables to be estimated and independent variables.

Table 5 Statistical Test F

ANOVA[a]

Model		Sum of Squares	df	Mean Square	F	Sig.
1	Regression	61.052	1	61.052	4.494	.037[b]
	Residual	1317.668	97	13.584		
	Total	1378.719	98			

a. Dependent Variable: KM

b. Predictors: (Constant), DD

Source :SPSS Output

Table 5 identifies that, the regression model used produces a significance value of 0.037. The results of hypothesis testing, provide evidence that the feasibility of a regression model in research. This is adjusted to the decision making criteria. It appears that Sig 0,000 < alpha value 0.05 then Ho is rejected and accepts Ha. Then the regression model in this study is considered feasible.

3.6. Statistical Test T

The T test statistical is used to test the effect of the independent variable with the dependent variable. In this study will test the truth of the hypothesis. The results of the t test are explained in the following output table.

Table 6 StatisticalTest T Result

Coefficients[a]

Model		Unstandardized Coefficients B	Std. Error	Standardized Coefficients Beta	t	Sig.
1	(Constant)	85.296	7.767		10.981	.000
	DD	-.802	.378	-.210	-2.120	.037

a. Dependent Variable: KM

Source :SPSS Output

Based on table 6, the significance value of the village fund program variable is 0.037. This significance value is smaller than alpha (0.037 <0.05) then H0 is rejected and accepts Ha. So the hypothesis test results are that the village fund program has a significant effect on the welfare of the people in Indonesia.

4. DISCUSSION

The results of the research showed that the village funding program had an influence on the level of welfare of the people in Indonesia. The village fund program is able to stimulate and even make a large contribution to the level of welfare of the people in the villages. The role of the government in providing village funds to improve the welfare of the community is very important for example in infrastructure development and community empowerment, the government prioritizes workforce from the community itself so that the community can get income, and there must also be equal distribution in channeling workers in village development. The Village Fund can also create employment, provide good employment opportunities, both directly and indirectly, can increase development in the village, and increase community income. So that the Village Fund can be useful in improving the welfare of the people in Indonesia. The important thing from this research is that it is still possible for other variables to influence the level of welfare of the people in Indonesia aside from the village funding program.

5. CONCLUSION

Based on the results of research that has been done, the conclusions obtained are: the village fund

program affects the level of welfare of the community in Indonesia, because the village funds are used to finance priority village activities such as the construction of physical, financial, educational, health, administrative, fostering and community empowerment facilities thereby increasing total village income and the quality of human resources and village apparatuses in order to improve the welfare of the people in Indonesia.

The Government should not focus only on economic development, but they should improve the quality of human resource to achieve the welfare of society. The next researchers are expected to add some other variables that could affect the level of society welfare beside than the village Fund program.

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