EFFECTIVENESS OF VILLAGE FUND POLICY FOR ECONOMIC DEVELOPMENT AND RURAL INFRASTRUCTURE IN SIANTAR DISTRICT SIMALUNGANG REGENCY

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Abstract

The purpose of this study is to determine the use of village funds has been effective in developing rural economy and infrastructure development in Siantar District Simalungun Regency. Qualitative research methods used in this study, the data analysis techniques used qualitative descriptive data analysis techniques. The results of the study found that the village fund policy has been effective, which is characterized by the opinion of respondents who stated that village funds distributed from the government are sufficient for development in the village, the existence of village funds is very helpful for village development, the largest use of village funds used for the construction and maintenance of agricultural business roads, and in community empowerment the largest village funds used for village government programs for village community empowerment. The village government compiles planning documents consisting of APBDes, RPJMDes, and RKPDes, each planning program must be supported by the village community in implementation by informing every expenditure and income of funds, supervision of monitoring periodically related to the physical development of the village, and the submission of reports on the use of village funds used for village development needs to be delivered transparently.

Keywords: Village Fund Allocation, Planning, Implementation, Supervision, Accountability
INTRODUCTION

The main concern for development in Indonesia today is rural economic development, with a building agenda from the periphery that has accessibility and low levels of education, as well as a negative migration balance. The village is the most basic economic unit that supports huge production and life (Li, Fan and Liu, 2019). The progress of a country can be seen by identifying the progress of rural areas (Boedijono et al., 2019). Development inequality that occurs between urban and rural areas is due to many factors that lead to high poverty in Indonesia (Sumianto, 2018). Village development will take place both synergistically and directed if it starts with planning that suits the needs and is sustainable (Matridi et al., 2015).

The village government has the authority in regulating and managing government affairs aimed at prospering its people in accordance with applicable laws (Suleman et al., 2020). This leads to more and more village obligations in accountability to account for violations of the village government.

The responsibility in question is accountability in village fund management (Nurlailah, Mukhlis and Sukanto, 2019). The allocation of village funds can be said to be effective if the management system carried out by the village government, as well as its benefits are felt directly by the community (Sumianto, 2018). Development that will be carried out as an effort to accelerate economic development by providing facilities and infrastructure in tricking the community.

Development is carried out in the framework of regional development so that it is able to face the era of globalization and competition that is increasingly competitive. The objectives of a region can be achieved well if it has a measurable and well-executable plan (Undang Undang No 6, 2014). Sustainable synergy planning is needed in improving the economic achievement of village community development which aims to reduce income sustainability (Matridi et al., 2015).

The type of village development is divided into two, namely the physical development of the village and the non-physical development of the village, but the Marihat baris government focuses more on doing non-physical development, because the development can be directly felt by the community.

Simalungun Regency is one of the districts/cities located in the North Sumatra Province. Simalungun Regency in an administrative area consists of 31 sub-districts. The thirty-one district is divided into 386 villages/nagori and 27 villages. In the situation affected by Covid 19, the use of village funds is intended to minimize the impact caused by the Covid-19 pandemic. The Covid-19 pandemic resulted in a high poverty rate in Simalungun Regency, according to BPS data in 2020, simalungun regency's poverty rate was 8.46% or 73,64 thousand poor people.

Simalungun Regency obtained a budget allocation for the Village Fund (DD) in 2021 of Rp. 296,800,840,000.00 from the central government. The priority for the use of DD includes for social safety nets such as Cash Direct Assistance (BLT), cash-intensive, village potential development through Nagori Business Entities (BUMNag).

Based on the results of the interview conducted by the author to the Siantar Subdistrict district, it is known that the village government includes all levels of village communities in deliberating for village development planning, this is of course very clearly regulated in the law, the local government includes not only the community, even the village government also involves organizations in the village. Village fund management can be said to be effective if the management system is carried out by the village government, the benefits can be directly felt by the village community (Suleman et al., 2020).

Considering that each village gets billions of rupiah, it is hoped that the village funds can have a positive impact on the village economy and infrastructure. Based on the background of the above problems, the author is interested in conducting research with the title "Effectiveness
of Village Fund Policy for Economic Development and Rural Infrastructure in Siantar District of Simalungun Regency. The purpose of this study is to find out the use of village funds has been effective in building the rural economy and infrastructure development in Siantar District, Simalungun Regency.

THEORETICAL FOUNDATION

Effectiveness

Effectiveness basically indicates the degree of achievement of results and is often associated with efficient understanding, although it actually has a different meaning. According to (B. Purba et al., 2021), effectiveness is the relationship between output and goal. Where effectiveness is measured based on the level of output, policies and procedures of the organization achieving predetermined goals (Palit, Singkoh and Kumay, 2018). Based on some of the above opinions, it can be concluded that effectiveness is the extent to which an organization can achieve a set goal, or successfully achieve whatever it is trying to do.

Effectiveness goes well with regard to user satisfaction, achievement of vision, fulfillment of aspirations, generate profits, and can develop human resources (Victoria Arianto and Rohman, 2018). According to (Lincoln, 2010) states that effectiveness indicators describe the range of consequences and impacts (outcomes) of the output of the program in achieving program objectives. The greater the contribution of the output produced to the achievement of the specified goals or objectives, the more effective the work process of an organizational unit. This has a very important role in seeing the development and progress of an organization. Management is the utilization of resources owned in organizational activities to achieve organizational goals.

Village Fund

The village is a unitary legal society that has territorial boundaries that are recognized and respected by the state to create unity and realize a goal (Suleman et al., 2020). To help improve the welfare of the community, more funding is needed, one of which is the Village Fund. According to (Lincoln, 2010) that village funds are "state budget funds intended for villages and transferred through district/city APBD and prioritized for the implementation of development and empowerment of village communities. From some of these definitions, it can be concluded that village funds are funds sourced from the State Budget that can be used to finance each village implementation.

Based on (PP No. 43, 2014), explained that the village financial management activities include planning, budgeting Administration, reporting and accountability. Village financial management is based on the principle of openness and freedom of the community in obtaining financial information that can be accounted for and in its management involves an individual and based on every applicable regulation and consists of the principle of transparent, accountable, participatory, orderly and disciplined budget (Boedijono et al., 2019).

Infrastructure Development

National development is man himself who is the central point of all development efforts and what will be built is his ability and strength as an implementer and what will be built is his ability and strength as the executor of the development drive (Suleman et al., 2020). The physical development of the village is an effort to improve the quality of economic, political, and cultural life and its ability and strength as a driver, both to social life that can be felt directly by the community.

The purpose of rural development is to improve the quality of life of the people in the village and provide easier access to the village community (Sumianto, 2018). Procedures for the implementation of good village development activities in order to produce maximum development, namely starting from the preparation stage, implementation of activities, and monitoring and supervision of village development. Data collection of prospective implementation of activities, preparation of work plans, socialization of activities,
debriefing, preparation of documentation to implementation that has been in accordance with the Regulation of the Minister of Home Affairs (PERMENDAGRI) (Permendagri 114, 2014).

In measuring the effectiveness of village fund management (x) by using planning, implementation, supervision, and accountability, the perception of the community and village government using village funds (Y). Research conducted (Moeljono and Kusumo, 2019), the effectiveness of financial management of village funds can run well when carrying out three stages of administration, namely planning, implementation, and supervision and the existence of information transparency to the community.

The frame of mind of this study can be described as follows:

\[
\begin{align*}
\text{Effectiveness} & \rightarrow \text{Planning} & \rightarrow \text{Implementation} & \rightarrow \text{Supervision} & \rightarrow \text{Accountability} \\
\text{Community} & \rightarrow \text{Village Government} & \rightarrow \text{Village} & \rightarrow \text{Village Infrastructure} & \rightarrow \text{Economic Development} & \rightarrow \text{Rural Infrastructure} & \rightarrow \text{Siantar District, Simalungun Regency}
\end{align*}
\]

**Figure 1. Frame of Mind**

The basic assumption in this study is "Effective Village Fund Management can improve Economic Development and Rural Infrastructure in Siantar District, Simalungun Regency".

**METHOD**

Certain research methods are based on the ability to provide answers to specific research problems (Tobyn et al., 2018). In the study using associative research carried out with a qualitative approach, which was carried out by examining inter-variabel relationships (E. Purba et al., 2021). This research was conducted in Siantar District of Simalungun Regency. The population in this study is manjerial in the village in Siantar Subdistrict, with the technique of determining the sample nonprobability sample. Primary and secondary data are used in research, which is collected by means of observation, documentation and interviews.

The data analysis technique used in this study refers to the concept (Miles, Huberman and Saldana, 2014), which is an interactive model using three steps, namely:

1. Data reduction (data reduction) is done by grouping data. The entire data is collected in accordance with the problem aspects in the research. Verified conclusions are made findings.
2. Presentation of data (display data), which is presented in the form of a description in accordance with the aspects of the research, which aims to make it easier for researchers to interpret the data and draw conclusions.
3. Withdrawal of conclusions (verification), the results of the reduction of data collected and analyzed will be drawn conclusions.

**RESULTS AND DISCUSSIONS**

**Research Results**

The number of residents in Siantar District is 79,703 people consisting of seventeen (17) villages. Village funds for each district/city are calculated based on the number of villages, village funds are allocated equitably based on basic allocations and allocations calculated by taking into account the number of residents and poverty figures, area, and the level of geographical difficulty of each village/city.

This causes the village funds received by each village the amount is different. With the village fund is expected to increase the number of village infrastructure and can improve the village economy.
Based on the graph, it can be seen that in general as many as 55% stated that village funds distributed from the government were sufficient for development in the village, as many as 28% of the village government stated that there was less village funds distributed by the government and the remaining 17% of the village government stated that it was not enough. Respondents' perception of the benefits of village funds, as follows:

![Figure 2. Perception Of Respondents To The Adequacy Of Village Funds](image)

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![Figure 3 Respondents' Perceptions of the Benefits of Village Funds](image)

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Based on the graph of the village government in Siantar District, Simalungun Regency assessed that the village funds were very helpful for village development as much as 78%, and the remaining 22% considered enough to help village funds for village development. The village funds obtained are used in the construction of village infrastructure with a percentage, as follows:

**Table 1. Use of Village Funds for Village Infrastructure Development**

<table>
<thead>
<tr>
<th>Description</th>
<th>Percentage (%)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Fulfillment of basic needs for the development of village health posts, polindes, and posyandu</td>
<td>13</td>
</tr>
<tr>
<td>Coaching and management of early childhood education (PAUD) such as kindergarten, play Group</td>
<td>3</td>
</tr>
<tr>
<td>Development of village facilities and infrastructure that support food sovereignty</td>
<td>9</td>
</tr>
<tr>
<td>Construction and maintenance of village roads</td>
<td>16</td>
</tr>
<tr>
<td>Development and maintenance of farm roads</td>
<td>17</td>
</tr>
<tr>
<td>Maintenance and construction of environmental sanitation</td>
<td>9</td>
</tr>
<tr>
<td>Village-scale development and maintenance of clean water</td>
<td>3</td>
</tr>
<tr>
<td>Construction and maintenance of irrigation</td>
<td>12</td>
</tr>
<tr>
<td>Development of village production facilities and infrastructure</td>
<td>7</td>
</tr>
<tr>
<td>Establishment and development of BUMNag (Nagori-owned enterprise)</td>
<td>11</td>
</tr>
</tbody>
</table>

**Source: Processed Data (2022)**

Based on the answer, it is known that the largest use of village funds is used for the construction and maintenance of agricultural business roads with a figure of 17% because of the majority of residents working as farmers, then as much as 16% is used in the construction and maintenance of village roads, where based on these figures it looks as if the village government tends to pay more attention to the condition of agricultural business roads, but according to the results of research that has been done it is known that development and maintenance of village roads. Village road maintenance has largely been taken over by PU (General Workers).

Fulfillment of basic needs for the development of village health posts, polindes, and posyandu by 13%, then 12% is used as irrigation development and maintenance. From this result, it can be seen that the village government pays the most attention to infrastructure development that is physical in the development of each village utilizing the potential possessed by the village. But on the other hand, the village government has also
begun to pay attention to improving the health of villagers.

The village funds obtained are used in the empowerment of village communities with a percentage, as follows:

**Table 2. Use of Village Funds for Village Community Empowerment**

<table>
<thead>
<tr>
<th>Description</th>
<th>Percentage (%)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Improving the quality of village planning process</td>
<td>25</td>
</tr>
<tr>
<td>Support economic activities developed BUMDes</td>
<td>18</td>
</tr>
<tr>
<td>Capacity building of Village Community Empowerment cadres</td>
<td>22</td>
</tr>
<tr>
<td>Clean and healthy living movement</td>
<td>35</td>
</tr>
<tr>
<td>Support for village and community activities in forest management</td>
<td>-</td>
</tr>
<tr>
<td>Capacity building of community groups through economic business groups, farmer groups, other groups in accordance with village conditions</td>
<td>-</td>
</tr>
</tbody>
</table>

Source: Processed Data (2022)

In the village government program for the empowerment of village communities, the largest figure is 35%, namely the implementation of the clean and healthy living movement. Furthermore, in improving the quality of village planning by 25%. A total of 22% of the use of village funds is allocated to increase the capacity of community empowerment cadres and the smallest by 18% is used to support economic activities developed by BUMNag.

![Figure 4 Village Planning Preparation](image1)

**Figure 4 Village Planning Preparation**

In preparing development planning using village funds, the village government must pay attention to the needs of the village community. The government is obliged to draw up a village planning document consisting of the Village Medium-Term Development Plan (RPJMDes) of the Village Government Work Plan (RKPDes) and APBDes for a year.

In the preparation of a development planning in the village, the village government involves all village communities in the preparation of planning through village deliberations. Here is a graph of the preparation of village planning through deliberation:

![Figure 5 Village Development Planning Prepared Through Village Deliberation](image2)

**Figure 5 Village Development Planning Prepared Through Village Deliberation**

Here is a graph of the involvement of the community in the village deliberations:

![Figure 6 Communities Involved in Village Deliberations](image3)

**Figure 6 Communities Involved in Village Deliberations**

Based on these results, it can be concluded that the village government in Siantar district of Simalungun Regency has involved the community in the planning process. But in its implementation, the community contributes less in the preparation of development planning through deliberation this is known from the
presence of the community in every deliberation is still low.

![Figure 7 Prioritized Scale Determination in Building Planning](image)

The village government in preparing the planning in the village sees the most important thing in the village.

![Figure 8 Pay Attention to the Potential of The Village in Compiling APBDes](image)

In development planning, it is necessary to pay attention to the potential of the village. In drafting its budget, the village government has paid attention to the potential of the village.

![Figure 9 In Planning To Pay Attention to Village Needs](image)

The village government is not perfunctory in preparing planning but sees the needs in the village, based on the results of deliberations with the village community. Based on these data, 59% of the village government agreed in preparing the planning to pay attention to the needs of the village, and the remaining 41% expressed strongly agree. Another thing that affects the effectiveness of village funds is the implementation of programs that have been created.

Here is the perception of the village government and the community regarding the ability of the village government in the ability to compile APBDes, RPJMDes, and RKPDes.

![Figure 10 Perceptions of the Ability of Village Governments in Preparing APBDes, RPJMDes, and RKPDes](image)

Based on the results of the study, it is known that the village government in compiling APBDes, RPJMDes, and RKPDes has been able to compile APBDes, RPJMDes, and RKPDes this can be seen from the graph as many as 59% expressed agreement and as many as 39% expressed strongly agree, and 2% who judged that the village government was less able to compile APBDes. A policy can be considered effective through four variables, namely planning, implementation, supervision, and accountability.

**Discussion**

The allocation of village funds is utilized and allocated as much as possible so that every development contained in the village can run according to plan and precisely with the target. From these results, it can be seen that the village government pays the most attention to infrastructure development that is physical in the development of each village utilizing the potential possessed by the village.
In planning, the village government is obliged to draw up a village planning document consisting of the Village Medium-Term Development Plan (RPJMDes) and the Village Government Work Plan (RKPDes). In the preparation of a development planning in the village, the village government involves all village communities in the preparation of planning through village deliberations. In the village government development planning deliberations pay attention to the needs of the village community so that the village community is widely involved in deliberations, village deliberations are usually carried out in the village hall (Moeljono and Kusumo, 2019).

Based on these results, it can be concluded that the village government in Siantar District, Simalungun Regency has involved the community in the planning process. In preparing development planning in the village, the village government has paid attention to the needs of the village. This means that the village government is not perfunctory in preparing planning but seeing the needs in the village, based on the results of deliberations with the village community. To improve planning in the management of village funds in economic development and community infrastructure must be present in carrying out musrembang so that the needs in the village can be prepared in planning (Boedijono et al., 2019).

In preparing development planning using village funds, the village government must pay attention to the needs of the community. That the government in Siantar District of Simalungun Regency compiles Village Medium-Term Development (RPJMDes) to maximize every development and is compiled based on agreement.

In the preparation of APBDes, RKPDes, and RPJMDes, village assistance is needed in the management of village funds. It is also felt by the community that assistance in the management of village funds is needed. This is due to the capacity of the village government in the preparation of planning even in the management of village funds. In addition, with the village companion is also expected to reduce the act of misappropriation in the use of village funds.

Monitoring is an important stage to ensure that the allocation of village funds can be an instrument of income in the village and improve the welfare of the village community. Thus, the development gap between rural and urban areas can be reduced. Surveillance is also shown to identify irregularities early on. The monitoring process involves all stakeholders in managing village funds both at the central and regional levels. In order for the management of village funds to be more accountable, a supervision mechanism is needed, all parties can be involved in the supervision mechanism, namely the village community, camat, Village Consultative Agency (BPD), Government Internal Supervisory Apparatus (APIP) and The Financial Management Agency (BPD). We can even follow in the latest developments the Corruption Eradication Commission (KPK) has also supervised the management of village funds.

In the submission of reports on the use of village funds used for Village development, it is necessary to submit transparently to the wider community. Because the village government is obliged to involve the community from planning the use of village funds to the distribution of village funds. The village government has been transparent in conveying information on the use of village funds the information is conveyed through information boards in the village head office, village hall and public places frequented by the community.

The amount of village funds given by the government to each village tends to be different and limited because it is adapted to the conditions of each village. So that the village government is expected to use it efficiently so that the development can be carried out in accordance with the planned and budgeted fund targets.

CONCLUSIONS AND SUGGESTIONS

Conclusion

In connection with the purpose of writing and from all the descriptions that have
been stated in the previous, the author draws the conclusion, namely the adequacy of village funds that as many as 55% of respondents stated that village funds distributed from the government are sufficient for development in the village, the existence of village funds is very helpful for village development as much as 78%. The largest use of village funds used for the construction and maintenance of agricultural business roads, and in community empowerment the largest village funds are used for village government programs for the empowerment of village communities.

In planning, the village government is obliged to compile a village planning document consisting of the Village Medium-Term Development Plan (RPJMDes), the Village Government Work Plan (RKPDDes), and apbdes. In carrying out every planning program must be supported by the village community, in the implementation of the village government informs every expenditure and income of funds through banners and placed in front of the Village Chief's Office.

In the supervisions, the village government conducts periodic monitoring related to the physical development of the village, and the results of supervision and monitoring become the basis in the implementation of village development. In the submission of reports on the use of village funds used for village development, it needs to be conveyed transparently to the wider community through the information media owned by the village.

Suggestions

Based on the above conclusions, it is necessary to put forward some suggestions that can be useful for the village Government of Siantar District, Simalungun Regency, namely, the village government should conduct direct socialization with the local community as a whole. Thus, the local community understands and understands about the allocation of village funds and what things will be realized and the development system will be easier if all village communities understand about the allocation of village funds.

To improve the planning in the management of village funds in economic development and community infrastructure must be present in carrying out musrembang so that the needs in the village can be arranged in the planning. To improve the implementation of the necessary assistance in the management of village funds is expected to reduce the act of misappropriation in the use of village funds. To increase supervision in the management of village funds, it is necessary to involve the entire community in the village consultative body (BPD), the Government internal supervisory apparatus (APIP) and the Financial Audit Agency (BPD).

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