

Impact of the Village Fund Policy on Community Economic Empowerment during the Covid-19 Pandemic

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ABSTRACT

Purpose: The goal of this study is to determine the effectiveness of village budget policies in community economic empowerment during the Covid-19 pandemic by analyzing the implementation of village funds.

Design/methodology/approach: The data was analyzed using qualitative descriptive analysis with village leaders and officials.

Findings: According to the findings of this study, the implementation of the village fund policy in Pangkul village during the Covid-19 period went off without a hitch. The allocation of village fund budgets in empowering economic communities in Pangkul village was quite effective. People in Pangkul Village were educated on the Covid-19 pandemic.

Practical implications: Pangkul Village has also developed a new program, namely a resilient village, in order to keep its community stable and maintained in the face of the Covid-19 pandemic.

Paper type: Research paper

Keywords: Village Fund, Village Budget, Economy Empowerment.

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I. INTRODUCTION

Indonesia is a vast archipelagic country and the central government as the stakeholder cannot directly supervise the territory of Indonesia as a whole. In order for the implementation of funding distribution to the community to be channeled optimally to all levels of society, the central government delegates regional authority in Indonesia to local governments. This delegation of authority is commonly called regional autonomy. In regional autonomy, it is stated that villages are spearheading important objects related to development in Indonesia. Villages are a benchmark for the success or failure of the implementation of a country's development. This makes the Central Government allocate special funds sourced from the State Budget directly to the village government called the village fund (Azhari & Suhartini, 2021; Martini et al., 2022).

At the end of 2019, the world was shocked by the presence of *Coronavirus Disease 2019 (Covid - 19)* which was first detected in Wuhan, China. The virus spreads very quickly throughout the world, including Indonesia. Until 2022, although a vaccine has been found to prevent its spread, it is not yet known when everything will return to normal. The Government of Indonesia through the State Budget has made efforts to restore the state of the national economy and the handling of Covid-19, one of them is through a program that has been implemented since 2015, namely the village fund (djpb.kemenkeu.go.id).

Village fund (V. N. Putri et al., 2021) is a fund sourced from the State Budget intended for villages that is transferred through the Regional Revenue and Expenditure Budget of the regency/city and is used to finance government administration, development implementation, community development, and community empowerment. The purpose of implementing the village fund is to improve public services in villages, alleviate poverty, advance the village economy, overcome development gaps between villages, and strengthen village

communities as inter-rural development gaps, and strengthen rural communities as subjects of development. Village Fund Management in 2022 is regulated in the Regulation of the Minister of Finance of the Republic of Indonesia Number 190/PMK.07/2021 concerning Village Fund Management.

Prabumulih City is one of the autonomous regions in South Sumatra Province that continues to grow rapidly and independently. This can be seen from the increasing development in villages with in Prabumulih City through the village fund budget. One of the villages that received village funding assistance was Pangkul Village, Cambai District. The effectiveness in the use of village funds in pangkul village plays an important role in empowering the community in the village. Community empowerment is an effort to foster awareness and willingness and ability of the community in recognizing maintaining and protecting the welfare of the community itself. Community Empowerment during the Covid-19 pandemic is all efforts that must be made by the community to explore the potential possessed by the community to be empowered and able to play an important role and prevent the transmission of Covid-19 (Putri, et. al, 2020).

Effectiveness is defined as a measure that can describe the extent to which the target can be achieved. The effectiveness of a program can be observed from indicators in the form of accuracy of making choices, timing, goals and objectives (Yanuarita & Susanto, 2021). Therefore, measuring the effectiveness needs to be done because later it will be seen how effective the village fund is in contributing to people's lives during the Covid-19 pandemic (Zakiyah, et al. 2020). The use of village funds is in accordance with the regulation of the Minister of Agriculture of PDPT Village Number 7 of 2020, village fund budget is used for the implementation of Covid-19 response villages. During a pandemic like this, the government prioritizes two things, namely: first, infrastructure development to strengthen the resilience of the village economy and community income and priorities, second is strengthening public health through efforts to prevent and handle Covid-19 (Putra, 2020). Realization report Pangkul Village, Cambai District, Prabumulih City 2020 and 2021 presented in table 1.

Table 1. Report on the Realization of APBDesa Pangkul, Cambai District, Prabumulih City

<i>Year</i>	<i>Income</i>	<i>Realization</i>
<i>2020</i>	<i>IDR 3.178.712.650</i>	<i>IDR 1.278.165.850</i>
<i>2021</i>	<i>IDR 3.275.177.400</i>	<i>IDR 2.602.548.400</i>

Source: Village Revenue and Expenditure Budget (2022)

The Covid-19 pandemic not only has an impact on health, but also on social and economic conditions. In the short term, the impact on health is shown by the mortality rate of victims in Indonesia which reaches 8.9 percent. In the economy, this pandemic has caused a plummet in domestic economic activity, which does not rule out the possibility of reducing people's welfare (Rindorindo & Mantiri, 2021).

There is a lack of data accuracy and is not on target because there is no data update (Zakiyah et al., 2020); (Putri et al., 2021). Therefore, the need for an initiative is established from the village apparatus so that the BST and Direct Cash Assistance (BLT-Dana Desa) social assistance programs can be better in the future. In line with the research (Putra, 2020) where the management of village funds was carried out effectively, but some obstacles were still found. The implementation of development is intended for the public interest in real form such as infrastructure and facilities. In the management of village funds such as planning, implementation, and accountability, the community is always assisted by the sub-district in making planning, implementation, and accountability reports that cause a lack of village stagnation. Another opinion (Rindorindo & Mantiri, 2021), the effectiveness in the use of villages has gone well where there is supervision in the use of village funds, although the supervision of aid funds seems to be loosely supervised, but if found guilty of misusing assistance, then the punishment received is more severe.

Based on the previous data and research above, the importance of community economic empowerment and the effectiveness of using village funds during the Covid-19 pandemic, It hoped that the village government can implement this village fund optimally for the benefit of the village community by paying attention to planning, implementation and supervision in the village fund budget allocation policy in Pangkul Village, Cambai District, Prabumulih City.

Effectiveness in the use of village funds plays an important role in community empowerment, especially during the Covid-19 pandemic (Theofilus & Yoserizal, 2022). There are several shortcomings in implementing the village fund policy during the Covid-19 pandemic so it is necessary to review the process of implementing the village fund policy in the economic empowerment of the people of Pangkul Village. There are several areas with unrealized budgets in 2020 so it is necessary to know the effectiveness of the realization of the village fund

budget in empowering the economy of the people of Pangkul Village during the Covid-19 Pandemic. Based on several fields in the Village Revenue and Expenditure Budget realization report in 2020 – 2021, Pangkul Village allocates existing funds to other fields so it is necessary to know the effectiveness in implementing village fund policies on the effectiveness of the village fund budget in community empowerment.

Objectives to be achieved from this study to find out the implementation of village fund policies in community economic empowerment during the Covid-19 pandemic, to find out the effectiveness of the village budget in community economic empowerment during the Covid-19 pandemic. Finally, to determine the effectiveness in the implementation of village fund policies on the effectiveness of the village fund budget in community empowerment during the Covid-19 pandemic

A. Literature Review

Village income as a budget derived from the State Budget which is intended specifically for villages in order to carry out development and community empowerment through the city/regency State Budget fund (Minister of Finance, 2017). According to Government Regulation Number 60 of 2014 concerning Village Funds, funds sourced from the State Budget are intended for one that is transferred through the district/city Regional Revenue and Expenditure Budget and is used to finance government administration, development implementation, community development, and community empowerment. Empowerment V. N. Putri et al. (2021) is an effort to build human resources (community) by encouraging, motivating, and raising awareness of its potential and seeking to develop it.

II. METHODS

This research is qualitative. This type of research can be understood as a research method that uses descriptive data in the form of written or spoken language of observable people and actors. This qualitative approach is carried out to explain and analyze individual or group phenomena, events, social dynamics, attitudes, beliefs and perceptions. The research process of qualitative approach begins with the development of basic assumptions. Then it is associated with the rules of thought used in research. The data collected in the survey is then interpreted.

Data collection techniques in the form of interviews and direct observations. The existing documents and information are obtained directly from the village apparatus. Data used was primary data. The data was obtained from village officials in Pangkul Village, Cambai District, Prabumulih City, in the form of a Village Fund Allocation Budget Report for 2020 – 2021.

III. RESULT AND DISCUSSION

In measuring the effectiveness of the village fund budget in community empowerment during the Covid-19 pandemic, it is necessary to analyze the budget realization in Pangkul Village. Aspending allowance for Pangkul Village for the 2020-2021 period is presented in Figure 1.

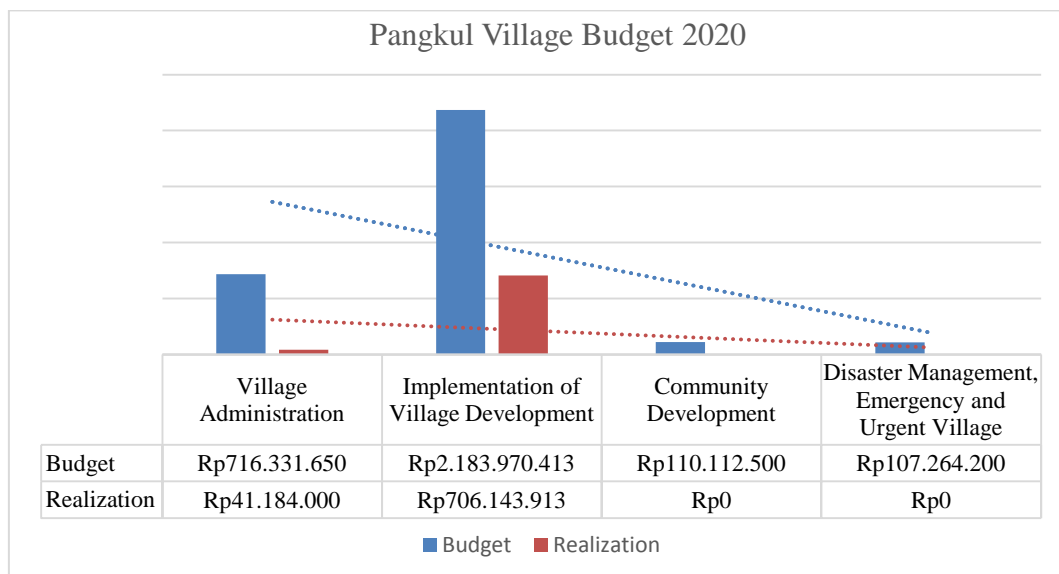


Figure 1. Pangkul Village Budget 2020

Source: Data Processed, 2022.

Based on the report on the realization of the village fund budget in Pangkul Village for fiscal year 2020, it is more focused on the implementation of village government and the implementation of village development. This is in line with what the head of Pangkul Village said that the realization of the village fund budget in 2020 is focused on the development sector, both from the construction of village facilities, village roads in accordance with the technical instructions from the Prabumulih city government. However, the Pangkul Village government does not realize funds for community development at all where community development is one of the very important factors in empowering village communities.

The community empowerment carried out in Pangkul Village is to improve existing health facilities and infrastructure in Pangkul Village starting from the renovation of Community Health Centers, procurement of adequate health facilities together with village medical personnel. Based on the details of the Pangkul Village budget, the effectiveness ratio of the village fund budget can be calculated using the following formula:

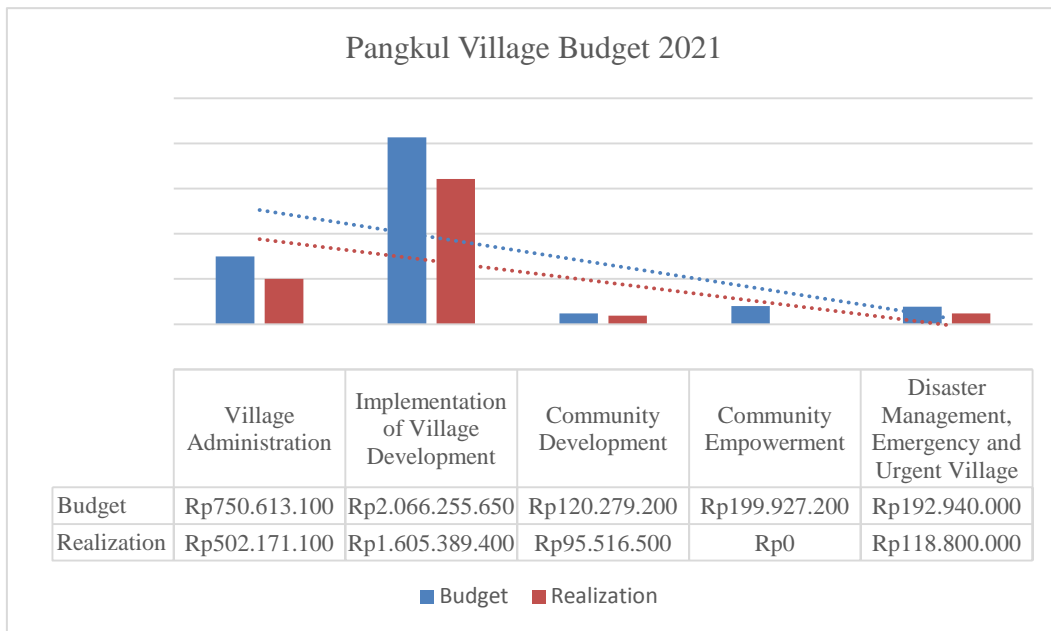
$$\frac{\text{Budget Realization}}{\text{Available Budget}} \times 100\%$$

Village Administration	$= \frac{41.184.000}{716.331.650} \times 100\%$
	$= 5\%$
Implementation of Village Development	$= \frac{706.143.913}{2.183.970.413} \times 100\%$
	$= 32\%$
Community Development	$= \frac{0}{110.112.500} \times 100\%$
	$= 0\%$
Disaster Management, Emergency and Urgent Village	$= \frac{0}{107.264.200} \times 100\%$
	$= 0\%$

In the implementation of village government has an effectiveness rate of 5 percent meaning that in the field of village government administration between the village fund budget and its realization has not been classified as effective. Likewise, the implementation of village development which has an effectiveness rate of 32 percent means that in the field of implementing village development between the village fund budget and its realization is quite effective but not yet optimal. Then in terms of community development and disaster management, emergency, and urgent villages, it is still not classified as effective.

In the field of disaster management, emergency, and urgent villages, the village government has not been able to realize these funds where in 2020, The Covid-19 pandemic is very rampant and classified as an emergency disaster that requires adequate medical facilities in each village health center, counseling health

protocols, providing masks to the community, as well as financial assistance in the form of cash and basic necessities to empower the economy of the people of Pangkul Village who were affected by Covid-19 at that time. Spending allowance for Pangkul Village in 2021 is presented in Figure 2.



Source: Data Processed, 2022.

Figure 2. Pangkul Village Budget 2021

The report on the realization of the village fund budget in Pangkul Village for fiscal year 2021 shows that Pangkul Village remains focused on the implementation of village government and the implementation of village development. In addition to focusing on these two points, the village government also realized community development that has not been realized in 2020. This shows the seriousness of the village government in community development by conducting a direct cash assistance (BLT) program to village communities in cash and basic necessities. In addition, the village government also created a Family Hope Program (PKH) that houses several groups such as pregnant women, early childhood, elementary school children, junior high schools, high schools, people with disabilities, and the elderly where this program provides a forum to carry out self-development through independence and build community creativity by providing financial assistance to improve the social and economic of rural communities in Pangkul Village.

There have been many changes from the village fund budget allocation structure in Pangkul Village. The Village fund budget which was originally used for community empowerment was transferred to function as a Covid-19 disaster management fund. The village fund budget allocated for disaster and emergency fund management is IDR 118,800,000 which is based on surveys and interviews that have been conducted, The used of these funds includes being used to spray disinfectants every 3 times a week, make hand washing facilities. With the hope that the community will later be aware of the dangers of Covid-19 and how to overcome this Covid-19 disaster both in terms of health and in terms of the village economy. Based on the 2021 Pangkul Village budget, the effectiveness ratio of the village fund budget can be calculated as follows:

$$\begin{aligned}
 \text{Village Administration} &= \frac{502.171.100}{750.613.100} \times 100\% \\
 &= 66\% \\
 \text{Implementation of Village Development} &= \frac{1.605.389.400}{2.066.255.650} \times 100\% \\
 &= 77,6\% \\
 \text{Community Development} &= \frac{95.516.500}{120.279.200} \times 100\% \\
 &= 79,4\% \\
 \text{Community Empowerment} &= \frac{0}{199.927.200} \times 100\% \\
 &= 0\%
 \end{aligned}$$

$$\begin{aligned} \text{Disaster Management, Emergency} &= \frac{118.800.000}{192.940.000} \times 100\% \\ \text{and Urgent Village} &= 61,5\% \end{aligned}$$

The level of effectiveness of the village fund budget in Pangkul Village in 2021 in the implementation of village government has an effectiveness rate of 66 percent meaning that in the field of village government administration between the village fund budget and its realization it has been classified as effective. Likewise, the implementation of village development which has an effectiveness rate of 77.6 percent means that in the field of village development implementation between the village fund budget and its realization it has entered the effective category. Then in village community development, having an effectiveness rate of 79.4 percent means that in the field of community development it has been classified as very effective when compared to the realization of the village fund budget in 2020. Then in the community empowerment in the 2021 budget, there is no budget, because in 2021 the Head of Pangkul Village focuses on switching the Village Fund Budget which was originally for community empowerment to be diverted to disaster management, emergency and urgent villages, namely with an effectiveness level of 61.5 percent, meaning that the budget for disaster management, emergency and urgent village realization is quite effective.

The effectiveness of the village fund budget can be seen through the ability of the village government to realize the village fund budget provided by the government for the village (Putri, et al., 2020); (Martini, et al., 2022). To carry out the program that has been prepared. The budget can be said to be effective if the budget is realized in accordance with the previously set plan. The use of village funds is in accordance with the regulation of the Village Minister of PDTT Number 7 of 2020, the village fund budget is used for the implementation of the Covid - 19 response village. During a pandemic like this, the government prioritizes two things, namely: first, infrastructure development to strengthen the resilience of the village economy and community income and priorities, second is strengthening public health through efforts to prevent and handle Covid-19.

The effectiveness of the implementation of the village fund policy in Pangkul Village cannot be separated from the role of village officials in implementing village fund policies to empower the people of Pangkul Village during the Covid-19 Pandemic. Implementation of village fund policy in Pangkul Village which is quite effective, shows that the village apparatus maximally realizes the village fund budget based on the interests and for the welfare of the community. This is in line with the research (Martini et al., 2021); (Fanani et al., 2022); (Martini et al., 2022) the factors that support the implementation of the village fund policy include financial resources sourced from village funds, competent resources, citizen obedience, and cooperation between good program implementers. With this combination, it can produce maximum *output* and community empowerment, especially during the Covid-19 Pandemic, can be realized properly.

IV. CONCLUSION

The effectiveness of the village fund budget in community empowerment during the Covid-19 pandemic in Pangkul Village is quite sufficient. It is seen that the village fund budget allocated for handling and preventing Covid-19 has been effective. People in Pangkul Village were given socialization about the Covid-19 Pandemic. The community participates by spraying disinfectants provided by village officials and complying with health protocols and protecting the environment.

The Pangkul Village Government is expected to be able to implement the village fund budget policy more effectively so that every aspect of the existing field can be carried out properly and make community empowerment a success, especially during the Covid-19 pandemic, especially in the field of community empowerment which is important in community welfare.

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