



## IMPACT OF VILLAGE FUND ALLOCATION AND VILLAGE DEVELOPMENT PROGRAM ON COMMUNITY WELFARE

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### Abstract

Welfare is a condition where a person is safe, prosperous, safe from various kinds of problems or difficulties, and so on. This research aims to determine the impact of village fund allocation and village development programs on the welfare of village communities in South Mataru Village, Mataru District, Alor Regency with a population of village officials and South Mataru village communities and a sample of 56 people. Data was collected using a questionnaire while data analysis used classical assumption test research instruments and multiple linear regression using the t-test and F-test. The results of the study showed that the allocation of village funds partially affected the welfare of the people of South Mataru Village, Mataru District, and Alor Regency, which was proven. With a significance value of 0.000. Partially, the village development program influences the welfare of the people of South Mataru Village, Mataru District, Alor Regency, proven by a significance value of 0.000. Simultaneously, the allocation of village funds and village development programs has an effect on the welfare of the village community in Mataru Selatan Village, Mataru District, Alor Regency, which has been proven. With a significance value of 0.000.

**Keywords:** Allocation of village funds, village development programs and community welfare

### INTRODUCTION

The development strategy in Indonesia is to increase the distribution of development and its results through the direction of sectoral development policies and community performance, especially in rural areas. In general, a village is one of the smallest governments led by a village head who is directly elected by the community through general elections. And to carry out his government duties in the Village, the Village Head is assisted by Village staff. Village staff and partners consist of the village secretary, treasurer, BPD, LPM, BUMDes, Head of Finance, Head of General Affairs, Head of Development, Head of Government, hamlet head, LPM, PPK, RW and RT. In this way, the village can be called a combination of the activities of each staff and partners who work together and work with a focus on the interests of the community.

Villages are also the government that has direct contact with the community and are the main focus in government development, this is because most of Indonesia's territory is in rural areas. For this reason, rural development that is carried out must answer the needs of the village community, and there needs to be participation from the community by utilizing the resources they have to design and develop their economy, as well as exploiting the existing economic potential so that they can further improve the welfare of the village community.

Welfare is a condition where a person can fulfill basic needs, be it the need for food, clothing,

shelter, clean drinking water as well as the opportunity to continue education and have adequate work that can support the quality of his life so that his life is free from poverty, ignorance, fear, or worries so that his life is safe, peaceful, both physically and mentally (Fahrudin in Syafrudin et al., 2023). To provide welfare to the Village community, the Village Government can utilize village income and also Village Funds to support operations and finance other Village needs following the community's needs.

The welfare problems that are developing today show that there are people who have not received the services they should from the government. As a result, many people still experience obstacles in the implementation of their social functions and are unable to live a life in a decent and dignified manner. Therefore, the government needs to pay special attention to utilizing village funds so that people can experience social justice, economic justice and democratic justice in the village.

In government regulation number 72 of 2015 concerning Villages article 68 paragraph (1) in Syafrudin et al., (2023) it is stated that village fund allocation aims to first improve the implementation of village government in carrying out government, development and community services following his authority. The second is to increase the capacity of community institutions in the village in planning, implementing and controlling development in a participatory manner following the village's potential. The third is to increase equal distribution of income, work opportunities and business opportunities for village communities and the fourth is to encourage increased cooperation in village communities.

From the objectives of Village Fund Allocation (ADD) above, it can be understood that the government wants ADD to be used to meet community needs, both directly and indirectly.

According to Law Number 6 of 2014 concerning Villages in Sembiring et al., (2023), the Village Fund Allocation is at least 10% (ten percent) of the balancing funds received by the Regency/City in the Regional Revenue and Expenditure Budget after deducting the Special Allocation Fund. Use of the Village Fund Allocation Budget is 30% (thirty percent) for expenditure on village government apparatus and operations, 70% (seventy percent) for community empowerment costs.

Nowadays, village development tends to be carried out uniformly by the central government, where village development programs are more top-down, in the reform era, village development is more about the village itself, in this case village development is seen based on existing potential and resources. in the village. Meanwhile, the central government and regional governments tend to take the position and role of facilitator, providing financial assistance, guidance and supervision. In carrying out its role, the village government designs or plans development programs that answer the needs of the community and are following the provisions set by the central government.

South Mataru Village is one of the villages in Mataru District. With a distance of approximately 70 km from the capital city of Alor Regency. The population (heads of families) in Mataru Selatan Village is approximately 219 families spread across 08 RTs and 02 Hamlets. South Mataru Village received DD from 2016 continuing until now in 2022.

The aim of providing village funds is to fund government administration, implementation of development and empowerment of village communities. However, the implementation of the use of

Village funds is still felt to be ineffective due to the inadequate capacity and capability of the village government and the lack of active community participation in managing village funds.

Based on data obtained from South Mataru Village, South Mataru Village, regarding the Village budget and fund allocation of IDR 1,236,900,975 for each Village government program as seen in table 1 below:

Table 1. Village Fund Budget and Village Government Programs for 2021

No	Program Name	Realized Budget (Rp)
1	Field of village government administration	363.554.787
2	Field of implementation of village development	831.346.000
3	The field of community building	31.000.000
4	Community empowerment sector	188.000.000
5	Management, disaster, emergency and urgent situations	11.000.000

Source: Researcher Processed Data

From Table 1 above, it can be seen that there are approximately 1,236,900,975 total village funds budgeted to fulfill five development programs with the largest fund being IDR. 831,346,000 for programs in the field of implementing village development, namely development, utilization of village infrastructure and environment. Meanwhile, the smallest fund is Rp. 11,000,000 for disaster management, emergency and urgent situations and even to support education for high-achieving children from villages which is not legally allowed. Meanwhile, for the field of community development programs, the amount is IDR. 31,000,000 to finance youth organizations which include youth and sports activities, development of social and cultural activities and development of early childhood education. Meanwhile, the remainder is for the field of community empowerment amounting to Rp. 188,000,000 for productive economic business activities, for farmer groups and economic businesses, agriculture and fisheries.

Development efforts through the Village Fund Allocation that have been budgeted can have a good impact on increasing development so that it can provide welfare to the community by seeing changes in social, material and spiritual procedures and livelihoods that can be fulfilled as is the goal of Village community development.

## LITERATURE REVIEW

### Public welfare

Society is formed through a process of ongoing relationships between individuals and individuals, groups and groups. Interactions that occur continuously over a long period of time produce several patterns of shared relationships, mutually recognized values and social institutions. These various social institutional values can become instruments for creating a more orderly and better life. Thus, prosperity becomes the dream of every person and every society, even the country. In the development of development thinking, realizing prosperity is not only in the form of physical capital, natural and financial resources, but also social capital (Soetomo in Syafrudin et al., 2023). Meanwhile,

Adi in Aferiaman & Noferius, (2022) states that welfare is a condition where a person is safe, prosperous, safe from all kinds of problems or difficulties and so on.

Social welfare according to the Republic of Indonesia Constitution number 11 of 2009 concerning social welfare article (1) paragraph 1: "social welfare is the condition of fulfilling material, spiritual and social needs.

The social welfare problems that are developing today show that there are people who have not received social services from the government. As a result, there are still many people who experience obstacles in the implementation of their social functions so that they are unable to live a life in a decent and dignified manner.

### **Village Fund Allocation**

According to Nurcholis in Syafrudin et al., (2023), village fund allocation (ADD) is funds sourced from the district Regional Revenue and Expenditure Budget (APBD) which are allocated to equalize financial capacity between villages to fund village needs in the context of government administration and implementation.

According to Government Regulation number 72 of 2015 concerning villages, central and regional balancing funds received in districts/cities are distributed proportionally to each village, which is referred to as village fund allocation (ADD). DSA fund allocation (ADD) according to law number 6 of 2014 concerning villages is part of the balancing funds received by districts/cities of at least 10% (ten percent) of the regional income and expenditure budget minus special allocation funds.

### **Village Development Program**

Village mantra, development of underdeveloped areas and transmigration regulations Number 3 of 2015 concerning village development, article 1 paragraph 9 states that village development is an effort to improve the quality of life and life as much as possible for the welfare of village communities. Suprono in Syafrudin et al., (2023), emphasized that village development is carried out within the framework of a reasonable balance between the government and the community. The government must provide infrastructure, while the rest is based on the capabilities of the community itself. The development process is a mechanism for the wishes of the community which are combined with the community. This combination determines the success of development as stated by Ahmadi in Permata, (2022) that the village development mechanism is a harmonious combination of community participation activities on one side and government activities on one side.

### **METHOD**

This research examines the role of village fund allocation and village development programs on community welfare in Mataru Selatan Village, Mataru District, Alor Regency. This research uses primary data obtained from distributing questionnaires to respondents. The research population is

village officials and village communities. Sampling was carried out using saturated sampling techniques for village officials and purposive sampling for village communities so that the number of respondents was 56 people. Data testing was carried out through research instrument tests, classical assumption tests and multiple linear regression analysis through the t test and F test.

**RESEARCH RESULTS AND DISCUSSION**

**Research result**

**1. Test Research Instruments**

a. Validity Test

Validity Test is used to measure the validity or authenticity of an instrument. A question item is said to be valid if the Pearson Correlation value is more than or equal to 0.3 (Ghozali, 2018).

1) Village Fund Allocation Variable Validity Test Results (X1)

The results of the validity test for the Village Fund Allocation variable are shown in table 2 below:

Table 2. Validity Test Results for Village Fund Allocation Variables

<b>Statement</b>	<b>Pearson Correlation</b>	<b>Validity limits</b>	<b>Information</b>
P1	0.729	0,3	Valid
P2	0.647	0,3	Valid
P3	0.648	0,3	Valid
P4	0.395	0,3	Valid
P5	0.466	0,3	Valid

Source: SPSS 2023 Data Processing

The data in table 2 above shows that the validity limit value for all statement items is greater than 0.3 so that all statement items are declared valid and able to express something that will be measured by the village fund allocation variable.

2) Development Program Variable Validity Test Results (X2)

The results of the validity test for the Table Development Program variable are shown in table 3 below:

Table 3. Development Program Variable Validity Test Results (X2)

<b>Statement</b>	<b>Pearson Correlation</b>	<b>Validity limits</b>	<b>Information</b>
P1	0.656	0,3	Valid
P2	0.506	0,3	Valid
P3	0.524	0,3	Valid
P4	0.362	0,3	Valid
P5	0.405	0,3	Valid

Source: SPSS 2023 Data Processing

The data in table 3 above shows that the validity limit value for all statement items is greater than 0.3 so that all statement items are declared valid and able to express something that will be measured by the village development program variable.

3) Community Welfare Variable Validity Test Results (Y)

The results of the validity test for the Community Welfare variable can be seen in table 4 below:

Table 4. Validity Test Results for Community Welfare Variables (Y)

Statement	Pearson Correlation	Validity limits	Information
P1	0.788	0,3	Valid
P2	0.488	0,3	Valid
P3	0.420	0,3	Valid
P4	0.640	0,3	Valid
P5	0.504	0,3	Valid

Source: SPSS 2023 Data Processing

The data in table 4 above shows that the validity limit value for all statement items is greater than 0.3 so that all statement items are declared valid and able to express something that will be measured by the community welfare variable.

#### b. Reliability Test

Reliability shows the level of reliability of an indicator used in research. In this research, the technique used to determine the reliability of the instrument is Cronbach's Alpha with the condition that if the Cronbach Alpha value is more than or equal to 0.6 then it is reliable (Ghozali, 2018).

The results of the reliability test for village fund allocation variables, village development program variables, and community welfare variables can be seen in table 5 below:

Table 5. Reliability Test Results

Variable	Cronbach alpha	Conditions	Information
Village Fund Allocation (X1)	0.875	0,6	Reliable
Development Program (X2)	0.874	0,6	Reliable
Community Welfare (Y)	0.813	0,6	Reliable

Source: SPSS 2023 Data Processing

The data in table 5 above shows that the Cronbach alpha value for each variable used in this study is greater than 0.6 so that all variables have reliable values because they have values above the reliability limit.

## 2. Classical Assumption Test

The classic assumption tests used in this research are the normality test, heteroscedasticity test, multicollinearity test and linearity test.

#### a. Normality Test

The Normality Test aims to test whether in the regression model, the confounding or residual variables have a normal distribution (Ghozali, 2018). This research uses the Kolmogorov-Smirnov (K-S) nonparametric statistical test. The regression model is free from the normality test if the K-S significance value is more than 0.05.

The following are the results of the normality test which can be seen in table 6 below;

Table 6. Normality Test Results

		Unstandardized Residual
N		56
Normal Parameters <sup>a,b</sup>	Mean	.0000000
	Std. Deviation	1.01628193
Most Extreme Differences Absolute		.114
	Positive	.114
	Negative	-.086
Test Statistic		.114
Asymp. Sig. (2-tailed)		.066 <sup>c</sup>

Source: SPSS 2023 Data Processing

From the results of the normality test using the Kolmogorov-Smirnov method, the significance result of the normality test was 0.066.<sup>c</sup> where the results are greater than the significance level of 0.05 so it can be concluded that the normality test in this study is normally distributed.

b. Heteroscedasticity Test

In this research, the heteroscedasticity test was carried out using the Glejser Test, where it can be seen whether in the regression model there is an inequality of variance from the residuals of one observation to another. The criteria used are: if the value is significant >0.05, then the regression model does not have heteroscedasticity. Conversely, if the significance value is <0.05, then the regression model has heteroscedasticity (Ghozali, 2018).

The following are the results of the hetoscedasticity test which can be seen in table 7 below:

Table 7. Heteroscedasticity Test Results

Model	Unstandardized Coefficients		Standardized Coefficients	t	Sig.
	B	Std. Error	Beta		
1 (Constant)	1.221	1.167		1.046	.300
X1	-.052	.063	-.156	-.822	.415
X2	.031	.073	.080	.423	.674

Source: SPSS 2023 Data Processing

From the results of the heteroscedasticity test using the glejer test, the significance results of the Village Fund Allocation variable (free) show a significance value of 0.415, and the Development Program variable (free) shows a significance value of 0.5674, where this value is greater than the standard significance value of 0.05 so it can be concluded that heteroscedasticity does not occur.

c. Multicollinearity Test

Multicollinearity (*multicollinearity*) is a linear relationship that occurs between independent variables in a multiple regression model. To detect symptoms of multicollinearity, it can be done by looking at the Tolerance and VIF (Variant Inflation Factor) values whose criteria are as follows (Ghozali, 2018):

- If the VIF value  $\leq 10$  or value *Tolerance*  $\geq 0.10$ , then it can be said that there is no multicollinearity in the regression model.
- If the VIF value  $> 10$  or value *Tolerance*  $< 0.10$ , then it can be said that multicollinearity

occurs in the regression model.

The following are the results of the multicollinearity test which can be seen in table 8 below:

Table 8. Multicollinearity Test Results

Model	Unstandardized Coefficients		Standardized Coefficients	t	Sig.	Collinearity Statistics	
	B	Std. Error	Beta			Tolerance	VIF
1 (Constant)	.582	1.823		.319	.751		
X1	.434	.098	.448	4.436	.000	.520	1.924
X2	.532	.114	.473	4.683	.000	.520	1.924

Source: SPSS 2023 Data Processing

The data in table 8 above shows that the VIF value of the village fund allocation variable is 1.924, the development program variable is 1.924, where these values are smaller than 10 and the tolerance value of the village fund allocation variable is 0.520 and, the development program variable is 0.520, where the values This value is greater than 0.10 so that there is no multicollinearity in the data.

#### d. Linearity Test

To find out whether there is a linear relationship between the independent variable and the dependent variable that is to be tested. This test uses a linearity test with criteria, namely sig results. deviation from linearity  $\geq 0.05$  means there is a linear relationship (Ghozali, 2018).

The following are the results of the linearity test which can be seen in table 9 below:

Table 9. Summary of Linearity Test Results

Independent Variable	Uji F	Sig
Village Fund Allocation (X1)	0,234	0.975
Development Program (X2)	0.326	0.938

Source: SPSS 2023 Data Processing

The data in table 9 above shows the deviation from linearity value for the village fund allocation variable towards community welfare with a calculated F of 0.234 and a significant value of 0.975. and the deviation from linearity value for the Development Program towards Community Welfare variable with a calculated F value of 0.326 and a significant value of 0.938, it can be concluded that there is a linear relationship between the Village Fund Allocation variable (X1), and the village development program variable (X2) on community welfare (Y).

### 3. Multiple Linear Regression Analysis

At this stage the researcher will measure or calculate the influence of the independent variable, namely the allocation of village funds, and the village development program on the dependent variable, namely the Welfare of the South Mataru Village Community, Mataru District, Alor Regency.

Based on data that has been collected through questionnaires and calculations using the SPSS 22 program *for windows* then it is obtained *output* testing data as follows:

Table 10. Multiple Linear Regression Test Results

Model	Unstandardized Coefficients		Standardized Coefficients	t	Sig.
	B	Std. Error	Beta		
1 (Constant)	.582	1.823		.319	.751
X1	.434	.098	.448	4.436	.000
X2	.532	.114	.473	4.683	.000

Source: SPSS 2023 Data Processing

Based on the results of data analysis as shown in table 10 above, the following multiple linear regression equation is obtained:

$$Y = 0.582 + 0.434X1 + 0.532X2 + e$$

The multiple linear regression equation above means that a constant value of 0.582 means that if all the independent variables used in this research, namely village fund allocation and development programs, are constant, then the value of variable Y will increase by 0.582 or 58.2%. The regression coefficient value of the village fund allocation variable of 0.434 means that for every increase in the village fund allocation variable by one unit, the Community Welfare variable in Mataru Selatan Village, Mataru District, Alor Regency will increase to 0.434 or 43.4%, (3). The regression coefficient value for the Development Program Variable is 0.532, which means that for every increase in the Development Program Variable by one unit, the Community Welfare variable in Mataru Selatan Village, Mataru District, Alor Regency will increase to 0.532 or 53.2%.

a. Partial Test Results (t Test)

This t test is used to test the influence of each independent variable on the dependent variable. This test is carried out by comparing the t test significance value of each variable (sig) with the alpha value ( $\alpha$ ) with the criterion that if the t test significant value is greater than alpha ( $\text{sig} > \alpha$ ), then  $H_a$  is rejected. Conversely, if the significant value is smaller or equal to the alpha value ( $\text{sig} \leq \alpha$ ), then  $H_a$  is accepted.

As follows, the results of the t test (partially) can be seen in table 11 below:

Table 11. t Test Results (partially)

Model	Unstandardized Coefficients		Standardized Coefficients	t	Sig.
	B	Std. Error	Beta		
1 (Constant)	.582	1.823		.319	.751
X1	.434	.098	.448	4.436	.000
X2	.532	.114	.473	4.683	.000

Source: SPSS 2023 Data Processing

Hypothesis testing is carried out as follows:

1) The Influence of Village Fund Allocations on Community Welfare

The data in table 11 above shows that the significance value of the t test for the Village Fund Allocation variable is 0.000, smaller than the significant standard of  $0.000 < 0.05$ . Thus, the results of this research state that the allocation of village funds influences the welfare of village communities in Mataru Selatan Village, Mataru District, Alor Regency.

2) The Influence of the Village Development Program on Community Welfare

The data in table 11 above shows that the significance value of the t test for the village development program variable is 0.000, smaller than the significant standard ( $0.000 < 0.05$ ). Thus, the results of this research state that the village development program influences the welfare of village communities in Mataru Selatan Village, Mataru District, Alor Regency.

b. Simultaneous Test Results (F Test)

The Simultaneous Test (F Test) is used to test the influence of independent variables, namely village fund allocation variables and village development programs on village community welfare variables. Testing is carried out by comparing the significance value of the F test with the alpha value ( $\alpha$ ) with the criteria: if the significance value of the F test is greater than alpha ( $\text{sig} > \alpha$ ), then *H<sub>0</sub>* is rejected. Conversely, if the significant value of the F test is smaller or equal to the alpha value ( $\text{sig} \leq \alpha$ ), then *H<sub>a</sub>* is accepted.

The following F test results can be seen in table 12 below:

Table 12. F Test Results (Simultaneous)

Model	Sum of Squares	Df	Mean Square	F	Sig.
1 Regression	145.123	2	72.561	67.700	.000 <sup>b</sup>
Residual	56.806	53	1.072		
Total	201.929	55			

Source: SPSS 2023 Data Processing

The data in table 12 above shows the significant value of the F test of 0.000 which is smaller than the alpha value ( $0,000 < 0.05$ ). Thus, the results of this research state that together village fund allocation and village development programs influence the welfare of village communities in South Mataru Village, Mataru District, Alor Regency.

## Discussion of Research Results

### The influence of village fund allocation on community welfare

The research results show that the allocation of village funds influences the welfare of village communities in Mataru Selatan Village, Mataru District, Alor Regency. This shows that if the allocation of village funds is utilized as well as possible to finance development and empowerment aimed at improving the quality of life of the community and also for disaster management and other sudden activities, it will bring prosperity to the village community. The purpose of village fund allocation is as a form of the state's commitment to protecting and empowering villages to become strong, advanced, independent and democratic. With village funds, villages can create village development and empowerment towards a just, prosperous and prosperous society (fulfillment of basic needs, availability of facilities and infrastructure and development of local economic potential). This is by the theoretical concept of social welfare according to the Republic of Indonesia Constitution number 11 of 2009 concerning social welfare article (1) paragraph 1: "social welfare is the condition of fulfilling material,

spiritual and social needs. The results of this research are in line with research conducted by Sembiring et al., (2023) that there is a significant influence between the allocation of village funds on the welfare of village communities in Narigunung Village.

### **The influence of village development programs on community welfare**

The research results show that the village development program influences the welfare of village communities in South Mataru Village, Mataru District, Alor Regency. This shows that if the village development program that has been planned and agreed upon with the community is implemented, it will bring prosperity to the community. The village development program is related to village development planning which is expected to be able to improve community service facilities, in the form of meeting basic needs, strengthening village institutions and other activities needed by village communities to provide welfare to the community. This is by theoretical studies according to the Village Mantra Regulation, Development of Underdeveloped Areas and Transmigration Number 3 of 2015 concerning Village Development, Article 1 paragraph 9 states that village development is an effort to improve the quality of life and life as much as possible for the welfare of village communities. This research is in line with previous research conducted by Syafrudin et al., (2023) that there is a significant influence between development programs on the welfare of village communities in Lendola Village, Teluk Mutiara District, Alor Regency.

### **CONCLUSION**

From the previous description, the researcher can conclude that partially the variable village fund allocation and village development programs have an influence on the welfare of the village community in Mataru Selatan Village, Mataru District, Alor Regency and simultaneously the variables of village fund allocation and the village development program have an influence on the welfare of the village community. in South Mataru Village, Mataru District, Alor Regency.

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Republic of Indonesia Constitution number 11 of 2009 concerning social welfare

Law number 6 of 2014 concerning villages