VILLAGE FUND ALLOCATION IN IMPROVING COMMUNITY WELFARE

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A B S T R A C T

Using descriptive quantitative research methodology, the purpose of this study is to determine how the allocation of village funds affects community welfare in Laburunci Village. Primary data in the form of surveys and secondary data in the form of journals on the distribution of village funds to improve community welfare are the two forms of data used. The research findings show that the t-test, coefficient of determination, and simple linear regression analysis used indicate that community welfare is significantly influenced by the independent variables. This is shown by the t-test which shows that H1 is accepted and yields a significance of 0.000 <0.05. Based on these findings, the Village Fund Allocation significantly and positively affects the welfare of the community in line with human development theory, which emphasizes the importance of investing in infrastructure and basic services to improve the quality of life for individuals and communities. Programs such as house rehabilitation/renovation and clean water wells can be considered efforts to meet basic needs, improve the quality of living environments, and access to clean water, which in turn can enhance community welfare.

The theory of human development, as expressed by Amartya Sen (Sen, 1999; Nussbaum, 2011), emphasizes that development is not only through economic expansion but also through the enhancement of human potential and access to basic needs. This research supports the human development theory by showing that the allocation of village funds contributes to the improvement of welfare, although there are other factors that also influence it. This underscores that human development involves multifaceted interventions that affect various aspects of community life. Based on the human development philosophy, the Village Fund Allocation significantly and positively influences community welfare, which emphasizes the importance of investing in infrastructure and basic services to improve the quality of life of individuals and communities. Programs such as house rehabilitation and clean water wells can be considered as efforts to meet basic needs, improve the quality of the living environment, and access to clean water, which in turn can improve community welfare.

INTRODUCTION

Village development is one of the main focuses of the Indonesian government to improve the quality of life and welfare of rural communities. Tahir (2018) bases this on the provisions of Law No. 6/2014 on Villages, known as the Village Law, which defines a village as a legal community unit that has territorial boundaries that is authorized to regulate and manage government affairs, the interests of the local community based on origins and or rights of origin that are recognized and respected in the government system of the Unitary State of the Republic of Indonesia. With the authority given to local governments, it is expected that villages can develop into developed, independent, and democratic regions.

The village government has a source of income that is used to fund its operational activities in order to exercise its authority. The availability of financial certainty for financing-one way to achieve this is by obtaining village fund allocations-is a crucial factor that needs to be considered in assisting the village development process (Tahir, 2018). A village is a small community confined to a certain area to fulfill its agricultural-based needs as a community and as a place in general (Sumarni, 2020).

In addition, villages have problems that need to be resolved, which include (a) infrastructure, limited infrastructure, such as poor roads, limited access to electricity, and lack of transportation facilities, can hinder village growth and development, (b) poverty, poverty is a common problem in many villages. This problem is driven by various factors, such as low income, limited access to decent work, and economic inequalities that often affect rural communities. (c) food security, some villages

still face food security issues, including food scarcity, lack of food diversification and access to adequate nutrition. (d) education, limited access to quality education and low education levels often hamper rural communities.

In 2015, the Village Fund was first disbursed by the government directly to local government accounts. In addition, starting in 2020, the Regional General Treasury (KUD) transferred the Village Fund directly to the Village Cash Account (RKD) instead of through local government accounts. Evaluation findings suggest that these changes are necessary if villages are not to receive direct transfers of funds from local governments. As a result, villages will not develop as quickly as they should (Community and Village Empowerment Office, 2023).

By prioritizing the most important and urgently needed village community development and empowerment initiatives, the Village Fund Allocation will deliver more benefits. Moreover, it is more important and closely linked to the goals of most villagers

In addition, the Indonesian government basically continues to strive to increase economic growth that is beneficial to the welfare of the people (Turere et al., 2019). Everyone wants to see the welfare of society, even when it requires hard work from those who achieve it. There are many material and non-material aspects of well-being. At its core, improving living standards through development is one way to achieve shared prosperity (Indrayani & Setiawina, 2018). Furthermore, when basic needs such as food, shelter, healthcare, and security are distributed more fairly, education levels rise, and living standards and income increase.

The research gap in previous studies, based on completed research, is what inspired this investigation Fathony et al., (2019) This shows that the distribution of village funds has a positive impact and is noteworthy in community empowerment, which aims to support rural areas. This research is consistent with the research conducted by Pancasari Kusumawardani & Dien Alfiyah, (2022) According to his research, the welfare of rural communities is significantly affected by the uneven distribution of village funds. This shows how the welfare of rural communities is influenced by how village money is allocated.

Laburunci Village, one of the villages in Pasarwajo District, Buton Regency, Southeast Sulawesi Province, is home to around 3,074 people. In this research, there are several factors that underlie the need to improve the welfare of the community in Laburunci Village, because the researcher sees several issues that need to be addressed such as; (a) poor housing conditions (20 uninhabitable houses); (b) potential for economic improvement; (c) sustainable development goals and community welfare enhancement; (d) health and welfare improvement; (e) lack of clean water sources (20 houses without clean water sources). However, the researcher only investigates the issues related to poor housing conditions and the lack of clean water sources. Thus, through the allocation of village funds, the needs and goals of improving the welfare of the community can be met.

METHODOLOGY

This research uses a descriptive quantitative research method to clarify that the quantitative research method, which is used to analyze research samples and populations, is based on the philosophy of positivism. Researchers can offer data in numerical form as a consequence of their investigations using quantitative research; also, variables can be explained as they are with the support of numerical data derived from real-world situations (Sugiyono, 2020). This research will be conducted in Laburunci Village, Pasarwajo District, Buton Regency. The subjects of this research are the community members who receive assistance for house rehabilitation/renovation and the construction of clean water sources, which will be needed for data collection in this study and to fill out the questionnaire. In this study, saturated sampling is used for sampling, where saturated sampling is a sampling procedure with specific considerations or criteria, in this case, the sample in this study consists of the entire population receiving assistance from village funds. The sample in this study consists of 40 people, with 20 receiving home rehabilitation/renovation assistance and 20 receiving the construction of clean water sources (wells) who will fill out the questionnaire. Primary and secondary data are two categories of data used in this investigation. The Statistical Program for Social Science (SPSS) application is an analysis tool used.

RESULTS & DISCUSSION
Testing Classical Assumptions
Normality Test
The Kolmogorov-Smirnov test was conducted in this study to determine whether the data is regularly distributed or not. Data is regularly distributed if the calculated significance is greater than 0.05. (Ghozali, 2016).

Table 1. Results of the Normality Test

One-Sample Kolmogorov-Smirnov Test		
		Unstandardized Residual
N		40
Normal Parameters[a,b]	Mean	.0000000
	Std. Deviation	1.59110020
Most Extreme Differences	Absolute	.102
	Positive	.102
	Negative	-.080
Test Statistic		.102
Asymp. Sig. (2-tailed)		.200[c,d]
a. Test distribution is Normal.		
b. Calculated from data.		
c. Lilliefors Significance Correction.		
d. This is a lower bound of the true significance.		

Source: data processed with SPSS 26

Research data shows that the research data meets the normality test assumption because the test results indicate an unstandardized residual value with a significance value of $0.200 > 0.05$.

Multicollinearity Test
A VIF value > 10 and a tolerance value < 0.10 indicate the presence of a relationship between the independent variable and other independent variables in the regression model (Ghozali, 2016).

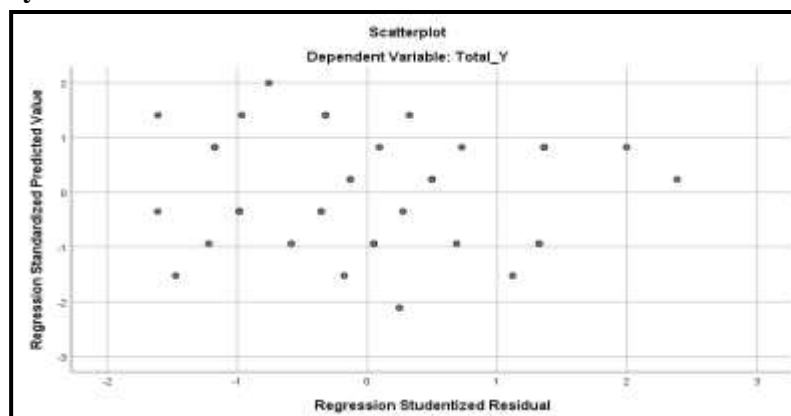**Table 2.** Multicollinearity Test Results

Coefficients[a]			
		Collinearity Statistics	
Model		Tolerance	VIF
1	Tota_X	.990	1.000
a. Dependent Variable: Total_Y			

Source: data processed with SPSS 26

The results of the multicollinearity test can be concluded that the independent variable shows a tolerance value for the Village Fund Allocation of 0.990 > 0.01. Meanwhile, the VIF value for the Village Fund Allocation variable is 1.000 < 10, indicating that this model is free from multicollinearity.

Heteroscedasticity Test

Figure 1. Results of the Heteroscedasticity Test Scatterplot

The points on the graph above are spread above and below the number 0 on the Y-axis, indicating that there is no issue of heteroscedasticity, in accordance with the results of the heteroscedasticity test.

Hypothesis Testing
Simple Linear Regression Analysis

To test the hypothesis, a basic regression model analysis is used to predict the extent of the influence of the independent variable on the dependent variable. The equation was analyzed using SPSS 26 with a significance level of 5% ($\alpha = 0.05$).

Table 3. Results of Simple Linear Regression Analysis Test

Coefficients[a]			
	Unstandardized Coefficients		Standardized Coefficients
Model	B	Std. Error	Beta
1 (Constant)	4.831	1.923	
Tota_X	.644	.151	.569
a. Dependent Variable: Total_Y			

Source: data processed with SPSS 26

Based on the table above, the following regression equation is obtained:

$$Y = 4.831 + 0,644 X + \varepsilon$$

The value of the constant along with the coefficients can be explained as follows:

If the Village Fund Allocation (X) is in good condition or valued at zero (0), then Community Welfare (Y) is valued at 4.831, according to the constant value. The Community Welfare regression coefficient of 0.644 indicates that if the Village Fund Allocation increases by one unit or one percent, then Community Welfare (Y) will increase by 0.644 units.

Partial Test (t)

To determine whether an independent variable has a significant effect on the dependent variable, a t-test is used. This test uses a significance level (α) of 0.05. If the significance value is less than 0.05, it indicates that the independent variable has an effect; if the significance value is greater than 0.05, it indicates that the independent variable does not have a significant effect on the dependent variable; if the calculated t-value is greater than the table t-value, then H0 is rejected, indicating that the independent variable and the dependent variable have an effect on each other. (Ghozali, 2016).

Table 4. T-test Results

Coefficients[a]					
	Unstandardized Coefficients		Standardized Coefficients		
Model	B	Std. Error	Beta	t	Sig.
1 (Constant)	4.831	1.923		2.513	.016
Tota_X	.644	.151	.569	4.261	.000
a. Dependent Variable: Total_Y					

Source: data processed with SPSS 26

The calculated t-value < table t-value indicates that the Village Fund Allocation has a positive and significant effect on the Welfare of the Community in Laburunci Village, which is consistent with the partial t-test results in table 1. This means that the null hypothesis (H0) is rejected and the alternative hypothesis (H1) is accepted. This indicates that the relationship between Village Fund Allocation and Community Welfare can be confirmed as strong. In other words, the allocation of funds received by the village has a significantly positive impact on the welfare of the community.

Coefficient of Determination Test

Table 5. Results of the Determination Coefficient Test

Model Summary				
Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	.569[a]	.323	.305	1.61190
a. Predictors: (Constant), Tota_X				

Based on the results of the coefficient of determination test, the adjusted R-squared value is 0.305. This indicates that 30.5% of the explanation for the community welfare variable can be provided by the Village Fund Allocation variable. Meanwhile, the variables not included in this study explain the remaining 69.5%.

The Influence of Village Fund Allocation (X) on Improving Community Welfare (Y)

The variable of community welfare can be explained by the variable of Village Fund Allocation by 30.5%, in accordance with the R Squared value in the regression equation of 0.305, and the remaining 69.5% is explained by factors outside the scope of the research. With a t-statistic value greater than the t-table value and an R Squared value of 0.305, the research results indicate that Village Fund Allocation has a positive and significant impact on community welfare in Laburunci Village. This means that Village Fund Allocation contributes 30.5% to the variability of community welfare. This indicates that programs such as house rehabilitation/renovation and clean water wells funded by Village Fund Allocation have a significant impact on community welfare.

The research titled "The Influence of Village Fund Allocation on Community Welfare Moderated by Village Officials in Liliriawang Village, Bengo District, Bone Regency" by Andi Haerunnisa (2022) is consistent with this. The R square value of the research is 0.085 or 8.5%, and the remaining 92.5% is explained by variables not included in the analysis. This emphasizes that although programs such as house rehabilitation/renovation and clean water sources contribute significantly, there are still many other factors affecting community welfare that need to be considered in further analysis.

The findings of this research reinforce the previous research by H. Muhammad Rusyadi (2018) titled "The Influence of Village Fund Allocation (ADD) on the Welfare of Village Communities in Takalar Regency." The findings of that research indicate that the welfare of communities in the villages of Takalar Regency is positively and significantly influenced by the distribution of village funds. The allocation of village funds has a very good relationship with the improvement of community welfare, as evidenced by a correlation coefficient of 0.988 between village fund allocation and welfare.

Based on these findings, the Village Fund Allocation significantly and positively affects the welfare of the community in line with human development theory, which emphasizes the importance of investing in infrastructure and basic services to improve the quality of life for individuals and communities. Programs such as house rehabilitation/renovation and clean water wells can be considered efforts to meet basic needs, improve the quality of living environments, and access to clean water, which in turn can enhance community welfare.

The theory of human development, as expressed by Amartya Sen (Sen, 1999; Nussbaum, 2011), emphasizes that development is not only through economic expansion but also through the enhancement of human potential and access to basic needs. This research supports the human development theory by showing that the allocation of village funds contributes to the improvement of welfare, although there are other factors that also influence it. This underscores that human development involves multifaceted interventions that affect various aspects of community life.

CONCLUSION

The conclusion of the research titled "Village Fund Allocation in Improving Community Welfare" is based on simple linear regression analysis, t-test, and coefficient of determination. That the welfare of the community is significantly influenced by independent variables. This is demonstrated by the t-test which shows that H1 is accepted and produces a significance of $0.000 < 0.05$. In accordance with the human development theory that emphasizes the value of investment in infrastructure and basic services to improve the quality of life for individuals and communities, the Village Fund Allocation has a positive and significant impact on community welfare. Programs such as house rehabilitation/renovation and clean water wells can be considered efforts to meet basic needs, improve the quality of living environments, and access to clean water, which in turn can enhance community welfare.

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