

Village Fund Management On The Improvement Of Community Economy

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Abstract

Village Fund management plays an important role in improving the economy of communities at the village level in Indonesia. A government policy known as Dana Desa provides funds to villages to support infrastructure development, community empowerment, and local economic growth. However, transparency, human resources, community participation, and project sustainability are some of the important issues in the management of the Dana Desa. The purpose of this study is to look at how the management of the Village Fund impacts the economic improvement of communities in villages. We used government data, academic studies, and related information to describe successful practices and emerging issues. The research used a literature study method that involved analysing relevant written sources. The results achieved that the local government in managing the Village Finance System can improve and not always change the existing system so that the village government is not confused anymore to run a new system so that policies can improve the efficiency of Village Fund management to support village economic growth.

Keywords: Village Fund, Village Fund Management, Community Economic Improvement, Village Development.

INTRODUCTION

In Indonesia, the economy of communities in various regions has improved significantly through the management of the Village Fund. The Indonesian government launched the Village Fund Programme with the aim of providing funds to villages to support infrastructure development, community empowerment, and the growth of various sectors of the local economy. The programme has become a major concern for achieving sustainable development goals, particularly improving the welfare of people in rural areas, since its launch in 2015. (Arsawati et al., 2023)

In many villages in Indonesia, there is great potential in agriculture, plantations, livestock, and other economic sectors that can be developed to improve the lives of local communities. (Mamuaja et al., 2021). The Village Fund is a policy tool that can be used to achieve this potential. Villages have the opportunity to improve the standard of living and income of their communities through the proper allocation of funds, the development of various infrastructure projects, and community empowerment programmes. (Safriani, 2020)

Although this programme has great potential, there are still challenges that need to be overcome in its management:

1. Transparency and Accountability: Village Fund management needs to promote transparency and accountability. There is a downward trend in terms of data management and oversight as well as policy measures that ensure that data is used for the benefit of the general public. (Kusrawan et al., 2022)
2. Human Resource Capacity: Many villages still have limited human resource capacity to properly manage funds. Better training and education is needed to improve the ability to manage the Village Fund. (Dwiyatna, 2021)
3. Community Participation: Challenges in mobilising community participation in

decision-making related to the Village Fund. Strong and inclusive participation is necessary to ensure the effective use of funds. (Dwiyatna, 2021)

4. Project Sustainability: Once the funds have been utilised for development projects, the next step is to monitor the ongoing projects so that
5. they can have a long-term impact on the community's economy. The success of a policy in the form of a programme or activity basically depends on the extent to which the effectiveness of the policy can run as expected. (Supriyadi & Asih, 2021)

Village funds are resource allocations given to village governments by the central government or local governments to support development and community services at the village level. Village funds are funds allocated specifically for economic, social, and infrastructure development at the village level in order to improve the welfare of the village community (Budiati et al., 2020) Village funds are a source of funding provided to village governments to finance development projects and social programmes aimed at improving the quality of life of villagers. So in conclusion, the above definition of village funds is a budget allocation given by the government to villages in Indonesia to support development, public services, and community welfare at the village level. Village funds aim to empower village communities in managing resources and accelerating development at the village level. (Lilis Saidah Napisah & Cecep Taufiqurachman, 2020)

Some sources of village funds are generally the General Allocation Fund (DAU), which is part of the state revenue allocated to local governments including villages (Saputro & Suwito, 2022). (Saputro & Suwito, 2022). These funds come from tax revenues and other revenue sources managed by the central government. As part of tax revenue, local governments, including villages, receive a share of tax revenue collected by the central government such as Value Added Tax (VAT), and Land and Development Tax (PBB). (Arifinet al., 2022) Share of Proceeds from Natural Resources, i.e. if the village has natural resources such as mines or forests, the village government may receive a share of the revenue generated from the management of these natural resources. Original Village Revenue (PADes), where the village can generate its own revenue from sources such as market levies, village taxes, or from other village businesses. (Ringan & Lasao, 2019) Grants and Assistance Villages may

RESEARCH METHODS

This research uses literature study. Literature study is a data collection technique by reviewing books, literature, national and international research articles, notes, and reports related to the problem to be solved. (Abdhul, 2021) The data that has been obtained is then analysed using data analysis techniques consisting of data reduction, data presentation, and conclusion drawing. Data reduction is carried out to make it easier for researchers to analyse the data that has been obtained which is then presented in the form of descriptive analysis, graphs and tables that can support detailed information about this research. The last stage is drawing conclusions that are interpretations of the data that has been analysed. (Wahyudin, 2017).

To understand how Village Fund Management plays an important role in improving the economy of communities at the village level in Indonesia, this research will use qualitative methods. According to Alan Bryman (2004), qualitative methods tend to emphasise words more than numbers, where the research is inductive, interpretative, and constructive. Qualitative research is also research that produces descriptive data from individuals and observed behaviour in the form of written and oral words. (Meleong. Lexy, 2021)

RESULT AND DISCUSSION

Some of the effects of village fund management on improving the community's economy include Infrastructure and Access, village fund management can be used to build basic infrastructure such as roads, bridges, irrigation and access to electricity. Local Economic Empowerment, by supporting micro, small and medium enterprises (MSMEs) at the village level. (Heni Risnawati et al., 2022) With business capital assistance, skills training and market development that can encourage the economy to village communities. Improving Food Security, by developing the agricultural sector, and livestock at the village level will strengthen local food security, people can get a stable source of income and improve their welfare. (Shuha, 2018) Education and Health, by improving education and health at the village level, such as building schools, health centres and others can help improve the quality of life of the community and reduce social inequality. Women's Empowerment, providing opportunities for women to be involved in decision-making and ownership of productive assets. This can increase women's participation in local economic activities and promote inclusive economic empowerment.

Problems and solutions that can be done about village funds include:

a. Village Fund Management Issues. The enactment of Law No. 6/2014 on Villages is a policy in which village governments have stronger autonomy. Why is that? Because the birth of this law clearly regulates that the village government is the executor of village management. (Moonti & Kadir, 2018) All village needs and management are independently managed by the village government. This is due to the large amount of village funds directly given to the village government to be managed according to the needs of the village community, both physical and non-physical. Village financial injections provided by the government in the form of village funds, village fund allocations, financial assistance, grants, and other legal sources of funds make villages have to rack their brains in order to manage village finances effectively. (Putri & Maryono, 2022)

The existence of village funds given to the village government is expected not to be a burden for the village government in carrying out the management of village funds. (Puspa & Prasetyo, 2020) So that with this policy the village government can successfully achieve the village's goal of an independent and prosperous village, instead of being a burden on the village government. The management of village funds, of course, has experienced many problems or problems, both the village government and the community itself. (Jaya et al., 2022)

The first example of problems or problems experienced by the village government is the lack of community participation in assisting the village government at the stage of programme implementation, meaning that here the implementation community is still lacking, especially people located in urban areas whose attitude of gotong royong is lacking, causing the village government to have difficulty in implementing on time. (Polutu et al., 2022)

The second problem is that the preparation of accountability reports is not only to be shown on the information board attached to the front of the village office, but also uploaded to SISKEUDES (Village Financial System). (Khoiriah & Meylina, 2018) There are several obstacles in the management of village funds, especially in the preparation of accountability reports, where the village government is constrained by system problems that change every time, so they have to repeat themselves to understand the latest system and also have not experienced server problems where the report must be reported annually.

The third problem is the lack of quality human resources of the village government apparatus, which is important in the process of implementing a policy. Especially those related to money, so that village funds can be used optimally and not monotonously, which in turn can also achieve common goals. (Duha & Saputro, 2022)

The fourth problem is the lack of village assistants deployed to the village from the

kecamatan to assist the village in managing village funds. Actually, the existence of village assistants can unravel the problems experienced by village governments in managing village funds. (Kivaayatul Akhyaar et al., 2022)

The fifth problem is internet network problems or server errors, the internet is one of the problems faced by the village government where the location of the village is different. Not all village government offices have good internet access, causing delays in the implementation of management, which is currently carried out online.

There may be many more problems experienced by the village government which are real problems and are being faced by the village government apparatus. (Rindorindo et al., 2021). These problems must be resolved immediately and a strategic solution must be found so that the management of village funds can run effectively and efficiently so that it can improve the economy of the village community itself.

b. Effective Village Fund Management Solution

The problems previously described can be resolved with strategic solutions, namely the first management of village funds in accordance with the law, secondly improving the human resources of village officials, thirdly improving facilities and infrastructure. Fourth, high community participation, fifth, community supervision of all forms of village fund management, sixth, effective management of community aspirations. Some of these solutions are alternative solutions to solve and face the challenges of managing village funds effectively and efficiently. (Mentari Tumbel, 2017)

Effective and efficient management of village funds can have a significant positive impact on improving the community's economy. Some ways of managing village funds to improve the community's economy include:

1. Economic diversification. Village funds can be used to promote various economic sectors such as agriculture, services, and small and medium industries. By providing capital or training in fields that are beneficial to the community.
2. Infrastructure. Setting up the infrastructure needed to strengthen the economic sector such as roads, bridges, irrigation, electricity and others.
3. Education and Skills. Improve the education and skills of the community so as to open up new employment opportunities in certain sectors and encourage the community to create jobs.
4. Women's Empowerment. Increasing women's participation in the economic sector through training and mentoring in improving businesses that will increase women's economic capabilities and encourage women's empowerment.

Improving market access and trade. Facilitating community access to markets, access to credit, and the development of local trade. In addition, the use of village funds must be in accordance with national and regional policies that provide direction for the effective and sustainable use of village funds

CONCLUSION

There are five problems faced by the village government that are obstacles to the management of village funds, which are systematic or general problems that come from within the village itself and from the community in general, so it is necessary to formulate solutions to reduce the problems faced by the village government and the community in implementing village fund management.

The management of village funds, apart from the problems faced, namely regarding how the form of management of village funds in [its implementation is still monotonous, which is often more focused on infrastructure development, the readiness of the human resources of the village apparatus can also be said to be lacking, because many are still old. The financial system is also said to be unclear because every year it always changes. The village government is also required to be more effective in absorbing the aspirations of the community in managing all proposals from the community. Therefore, it is necessary to have an effective village fund management model in accordance with the provisions of Law Number 6 of 2014, but also to collaborate the village fund management model with community participation in the management of village funds.

It is expected that local governments in managing the Village Finance System can improve and not always change the existing system. So that the village government is not confused anymore to run the new system .

For the community to be more active in participating in helping the village government to manage village funds for the welfare or improvement of the community's economy. Because the role between the community and the village government is very important, starting from the stage of managing community aspirations to later reporting accountability.

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