

## **Analysis of Village Fund Use in Improving Community Welfare in Baebunta District North Luwu Regency**

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### **Abstract**

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This study aims to determine and explain the influence of the use of village funds in improving community welfare in Baebunta District, North Luwu Regency. This study uses a descriptive quantitative approach using a questionnaire instrument for data collection. The population in this study was 150 Heads of Families with 5 villages determining the sample using the slovin formula so that the number of samples was 109 Heads of Families. The results of partial testing produced the variable of the influence of village funds having a significant influence on community welfare, thus it was concluded that the use of village funds in Baebunta District, North Luwu Regency greatly improved the welfare of its people.

### **Keywords:**

Village fund allocation; Community welfare.

## **1. INTRODUCTION**

The development strategy in Indonesia is focused on increasing the equity of development and its results through sectoral policies and community empowerment, especially in rural areas. Villages are seen as the main subject of development as well as a community movement driven by awareness to create a better life. Given that the majority of Indonesia's population lives in rural areas, with a significant population and potential natural resources, villages have the opportunity to benefit through the Village Fund Allocation (ADD).

Based on Law Number 32 of 2004 concerning Regional Government, regional governments are given the broadest possible autonomy to regulate all government affairs outside the authority of the central government. This aims to support regional policies in improving community services and empowerment by implementing real and responsible autonomy. Real autonomy means that regional governments carry out their duties according to the authority given and consider the characteristics of their regions. Meanwhile, responsible autonomy requires its implementation to be in accordance with the purpose of granting autonomy, namely to advance the region and improve community welfare.

Improving the welfare of rural communities is one of the main priorities of the Indonesian government in an effort to strengthen national economic development. In this case, the Village Fund, which is an allocation of funds from the State Budget (APBN), plays a role as an important source of financing for village development and empowerment. Since its implementation, the Village Fund is expected to be used for various development purposes, such as infrastructure, basic services, and economic empowerment, which can ultimately improve the quality of life of people in the village. However, the impact of the use of the Village Fund on community welfare does not always show uniform results, depending on various factors, including effective management and allocation.

Previous studies have shown mixed results regarding the impact of Village Funds on community welfare. Susilawati and Setiawan (2020) found that Village Funds have a significant contribution to improving basic infrastructure such as roads, clean water, and electricity. This has a positive impact on increasing accessibility and the quality of life of village communities. Likewise, Prasetyo (2019) revealed that Village Funds have a positive impact on increasing community income through economic empowerment programs, such as skills training and business capital assistance, which open up jobs and improve community welfare.

On the other hand, not all studies show positive results. For example, research conducted by Aji and Utami (2017) found that the allocation of Village Funds for community empowerment has not shown a significant impact on improving welfare. This study shows that the effectiveness of the use of Village Funds is highly dependent on the quality of good management and planning. Likewise, research by Kusuma (2018), which shows that the allocation of Village Funds for several projects does not provide optimal results due to the lack of community participation in program planning and implementation.

Research by Rahman and Dewi (2018) and Wulandari (2017) also strengthens the finding that the success of Village Funds is highly dependent on targeted allocation. Rahman and Dewi found that Village Funds have a positive impact on agricultural productivity and farmer income when the funds are used for equipment procurement and technical training. Meanwhile, Wulandari showed that Village Funds can improve health and education services if allocated appropriately for the development of facilities and infrastructure that support the two sectors.

With these diverse research results, it is important to conduct further analysis on the use of Village Funds and the factors that influence their effectiveness in improving community welfare. This study aims to understand more deeply how Village Funds can be effectively used to achieve these goals, as well as identify factors that support or hinder the impact of Village Funds on village community welfare.

## 2. RESEARCH METHOD

The framework of thought serves to align the perception between researchers and readers regarding the researcher's thought process, so that the research hypothesis can be constructed logically. To facilitate and direct the problem-solving process, a conceptual framework is prepared that will describe the main points in the effort to solve the problem. I want to research the analysis of the use of village funds in improving community welfare in Baebunta District because village funds are the main source for local development that can directly impact the daily lives of the community. This research is important to understand how the funds are managed and utilized, and to evaluate their effectiveness in improving welfare. In addition, by looking at community participation in fund management, this research can provide insight into transparency and accountability, which are essential to building public trust in the government. The results of this study are expected to provide useful recommendations for policy makers in optimizing the use of village funds for better welfare.

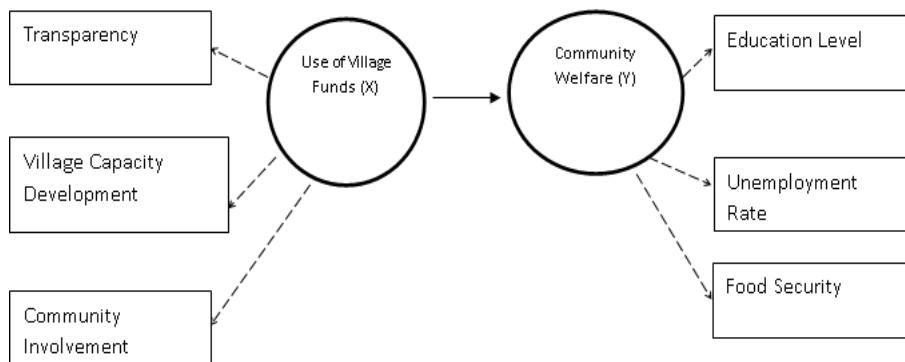


Figure 1. Conceptual framework

H1: It is suspected that there is an influence between the use of village funds on improving community welfare in Baebunta District, North Luwu Regency.

## 3. RESULTS AND DISCUSSION

The data analysis technique used in this study is instrument analysis, namely validity test, reliability test, simple linear regression test, T test to determine the effect of village fund use (X), on community welfare (Y). This method was tested using the SPSS 25 computer program. The effect of independent variables on dependent variables was tested using a 90% confidence level or  $\alpha$  of 5%.

### 3.1. Validity Test

Validity test is used to find out whether the instrument used is valid, if the instrument is valid then it is suitable for use in research. If  $r$  count  $>$   $r$  table with a significance level of 10% or 0.1 then the instrument is said to be valid.

Table 1. Validity Test Results

Test of Validity of Village Fund Variables				
Item	R count	R table	Significant	Information
DD 1	0.814	0.1832		
DD 2	0.831	0.1832		
DD 3	0.725	0.1832		
DD 4	0.777	0.1832		
DD 5	0.842	0.1832	0,000	Valid
DD 6	0.853	0.1832		
DD 7	0.705	0.1832		
DD 8	0.762	0.1832		

Table 2. Validity Test of Community Welfare Variables

Item	R count	R table	Significant	Information
KM 1	0.664	0.1832		
KM 2	0.718	0.1832		
KM 3	0.691	0.1832		
KM 4	0.530	0.1832		
KM 5	0.529	0.1832		
KM 6	0.615	0.1832	0,000	Valid
KM 7	0.661	0.1832		
KM 8	0.529	0.1832		
KM 9	0.765	0.1832		
KM 10	0.794	0.1832		

Based on the table above, an instrument is said to be valid if  $R \text{ count} > R \text{ table}$  at a significance level of 5% or 0.5 and if  $R \text{ count} < R \text{ table}$  then the instrument is not valid. According to the results of the validity test above, all items obtained  $R \text{ count} > R \text{ table}$ , this shows that the items in the village fund and community welfare variables have a coefficient correlation value greater than 0.1832. This shows that  $R \text{ count}$  is greater than  $R \text{ table}$  then all items from the variable are valid.

### 3.2. Reliability Test

Reliability testing aims to determine whether the questionnaire shows consistency when measurements are carried out repeatedly using the questionnaire, the questionnaire is said to be reliable if Cronbach's alpha  $> 0.6$ .

Table 3. Reliability Test Results

Variables	Cronbach's alpha	Standard	Information
Village Fund (X)	0.911	0.6	Reliable
Community Welfare (Y)	0.913	0.6	Reliable

Based on the reliability test results table above, it shows that the Village Fund Culture variable (X) 0.911 and Community Welfare (Y) 0.913 are reliable because Cronbach alpha is greater than 0.6. So all instruments are said to be reliable.

### 3.3. Simple Linear Regression Analysis

Simple linear regression analysis is used to determine the magnitude of the influence between the independent variable, namely Village Funds (X), on the dependent variable, namely Community Welfare (Y).

Table 4. Simple linear regression results

Model		Coefficients <sup>a</sup>	
		Unstandardized Coefficients	
1	(Constant)		2.112
	Total_X (Village Fund)		.371
a. Dependent Variable: Total_Y			

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

$$Y = 2.112 + 0.371X$$

From the equation above, the following conclusions can be drawn:

- The constant obtained is 2.112, this result shows that all independent (free) variables have a value of zero, so the Y value is 2.112.

b. If Village Fund X experiences an increase of one unit, then the welfare of society Y will increase by 0.371 units.

Based on the results above, it can be seen that the large contribution of the independent variables to the dependent variables, including Village Funds 0.371, can be concluded that the Village Fund Variable (X) has the greatest influence on community welfare because it has the largest regression coefficient value, namely 0.371.

### 3.4. T-Test (Partial)

The partial test is used to determine whether each or partial independent variable has a significant influence or not on the dependent variable, it is said to be significant if the significance value is  $<0.5$  and is said to have an influence if the calculated  $T > T$  table.

Table 5. Results of the T-test (partial)

Model	Coefficients <sup>a</sup>			t	Sig.
	B	Unstandardized Coefficients	Standardized Coefficients		
1	(Constant) 2.112	2,047		1,032	.304
	Total_X (Village Fund) .371	.110	.300	3.372	.001

a. Dependent Variable: Total\_Y

Based on table 4. The T-test above for the Village Fund variable (X) obtained a significance value of  $t (0.001)$  smaller than  $\alpha = 0.5$ , namely the significant value of  $t < \alpha$  value = 0.5 and  $T$  count  $3.372 > T$  table 1.658. So, the hypothesis is accepted so that it can be concluded that Village Funds (X) can significantly influence Community Welfare (Y).

### 3.5. The Impact of Village Funds on Community Welfare

Based on the results of the analysis obtained, it shows that there is a significant influence of Village Funds (X) on Community Welfare. The analysis conducted shows that Village Funds (X) have a significant influence on Community Welfare, with statistical test results supporting the hypothesis.

This shows that Village Funds have a significant impact on Community Welfare. This means that increasing Village Fund allocations correlate with increasing community welfare. This is in accordance with several previous studies that show that Village Funds play an important role in village economic development, poverty reduction, and improving the quality of life of the community.

For example, research by Susilawati and Setiawan (2020) stated that Village Funds have a significant contribution to village infrastructure development, which then has implications for increasing community access to basic services, such as education, health, and the economy. In addition, another study by Prasetyo (2019) showed that Village Funds support increasing community income through local economic empowerment programs, such as skills training and support for micro and small businesses.

Based on these findings, it can be concluded that the Village Fund not only functions as a development funding tool, but also as an effective instrument in improving the welfare of village communities. Through the distribution of Village Funds that are right on target and transparent, the government can ensure that village communities can enjoy the benefits of equitable and sustainable development.

## 4. CONCLUSION

The Village Fund variable (X) has a significant effect on Community Welfare in Baebunta District, North Luwu Regency (Y). The results of the analysis show that the allocation of Village Funds in this area contributes directly to improving community welfare through various development and empowerment programs. This significant effect can be seen from the improvement of village infrastructure, such as roads, bridges, and public facilities, which support increased community access to basic services, including education, health, and the economy. In addition, the Village Fund also supports the implementation of local economic empowerment programs, such as skills training and development of micro and small businesses, which contribute to increasing community income and reducing poverty rates.

This study confirms that Village Funds not only function as a source of development financing, but also as an important instrument for creating social and economic change in rural areas, especially in Baebunta District. Transparent, accountable, and targeted management of Village Funds is the key to success in ensuring that the benefits of development are felt evenly by all levels of society.

As a suggestion for Baebunta District, the village government in this area is advised to continue to improve the capacity of Village Fund management by ensuring planning based on community needs and

community involvement in decision-making. In addition, there needs to be consistent monitoring and evaluation of the implementation of programs funded by Village Funds to ensure their effectiveness and accountability. The government can also expand economic empowerment programs, such as entrepreneurship training, support for local product marketing, and the formation of village cooperatives, in order to strengthen the community's economy in a sustainable manner. With these steps, it is hoped that the Village Fund can continue to provide maximum positive impacts on the welfare of the community in Baebunta District.

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