Management, Implementation and Effect of Village Fund Allocation on Regional Development During Covid-19 Pandemic

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Abstract.
The allocation of Village Funds requires planning, monitoring, implementation, and accountability for its use. The implementation of village development must be in accordance with what has been planned in the planning process and the community. The Covid-19 pandemic has changed the order of various aspects of life, including Indonesia. The health, social, and economic sectors were most significantly affected. The economic sector is experiencing recession both at the global and national levels. Timor Island is one of the islands in Indonesia experiencing this. This problem cannot be separated in encouraging the national economic growth rate. This study aims to determine the impact of the Covid-19 pandemic on economic growth in Timor Island, especially Fatuneno Village. Economic growth in Timor Island became the center of attention, which had experienced a contraction to accelerate economic recovery in Indonesia. Utilizing Village Fund Allocation as community empowerment is the main source in developing and advancing village communities, from what is mandated by the central and regional governments prioritizing regional autonomy. The Village Fund allocation is fully utilized for community empowerment and welfare, marked by the development of agricultural land and several infrastructures to make it easier for the community to empower themselves and the environment. Small form so that the village is able to empower the community and village institutions to overcome poverty and reduce inequality, improve development planning and budgeting in the village, and improve village infrastructure development, in order to create a prosperous village.

Keywords: management, village fund allocation, village welfare, village development, Covid 19 pandemic

1. Introduction

Corona Virus Disease-2019 or COVID-19 is a group of viruses that can cause infectious disease in animals or humans [1]. On March 11, 2020, the World Health Organization (WHO) [2] declared COVID-19 a pandemic. The COVID-19 pandemic was officially declared to have entered Indonesia on March 2, 2020 by reporting 2 confirmed cases of COVID-19. Since then, its spread has become more widespread and has grown in...
almost all provinces. The COVID-19 pandemic has not only had an impact on health, but also social and economic conditions. Villages are the communities that are expected to be most prepared to revive the economy after the COVID-19 pandemic. The Unitary State of the Republic of Indonesia has legally recognized the existence of villages in Law no. 22 of 1999 which has been revised through Law 32 of 2004 [3] concerning Regional Government and Government Regulation Number 72 of 2005 concerning Villages. In Law 32 of 2004 [3] it is explained that the granting of regional autonomy to districts/cities is based on decentralization in the form of broad, real, and accountable autonomy.

The village is a legal community unit that enters the territorial boundary that is authorized to regulate and manage government affairs, the interests of the local community based on community initiatives, origin rights and traditional rights that are recognized and respected in the government system of the Unitary State of the Republic of Indonesia led by a village head and accompanied by a village head by village officials. The village as a government that is directly in contact with the community is the main focus in government development, this is because most of Indonesia's territory is in rural areas. village to show its role and ability to participate in building the Indonesian government. The village government is believed to be better able to see the priority needs of the village and the community, the potential they have, the aspirations of the community and the priorities of rural development that have been implemented.

The Indonesian government does have a goal of economic equality to the periphery, including villages that are considered to be lagging behind in the economic aspect when compared to urban areas. Therefore, village activities are considered to be able to help generate economic activities in the area. The distribution of these funds is an implementation of the allocation of village funds which changed its name from PNPM to village funds. Another goal besides economic equity is to minimize private sector investment in the periphery. The development strategy in Indonesia is to increase the distribution of development and its results through sectoral development policies and community performance, especially in rural areas. Village development is the subject of development, and as a community movement in carrying out development based on awareness to improve a better life.

2. Village Fund

According to the pocket book of village funds published by the Minister of Finance in 2017 [4] defines village funds as a budget originating from the APBN which is specifically
intended for villages in order to carry out development and community empowerment through City/Regency APBD funds.

According to Government Regulation Number 60 of 2014 concerning Village Funds are funds sourced from the State Revenue and Expenditure Budget which are transferred through the Regency/City Regional Revenue and Expenditure Budget and are used to finance the implementation, implementation of development, and community empowerment. Meanwhile, according to Lili village funds are funds received by the village every year sourced from the APBN which are deliberately carried out to transfer them directly through the Regency/City APBD which is used to fund the entire process of governance, village development and empowerment of the entire community rural.

Based on village funds, it is a budget that is the right of the village and it is the duty of the central government to provide it to the village by sending it directly from the APBN to the APBD and entering it into village finances.

2.1. Village fund source

The inner village has a function to run the government independently which aims to encourage growth and development. 113 of 2014 regarding village financial management, that the source of village income consists of 3 sources, namely:

1. Village Original Income (PADes) Income consists of:

2. Operating results: Bumdes results, village treasury land.

3. Yield assets: Village market, public baths, irrigation.

4. Self-help, participation, and mutual cooperation: the role of the community in the form of energy, goods that are valued in money.

5. Other original village income: village levies

6. Transfers include village funds, part of regional tax proceeds, financial assistance from the Provincial and Regency/City APBD.

7. Other income including grants and legitimate village income.

2.2. Purpose and benefits of the village fund

The objectives of the village fund are:
1. Creating peace for the villagers

2. Improvement of public services and infrastructure in the village

Meanwhile, according to Law no. 6 of 2014 [8] states that the purpose of village funds is to provide services to villagers, carry out missions, improve the village economy, eliminate differences in the field of development between villages, strengthen villagers as subjects.

Budget allocation in the village is carried out by someone who has authority and is useful in preparing infrastructure development plans so that they are in line with the rapidly growing community growth. The benefits of having a village budget are as follows:

1. Improvement of economic and development aspects

The existence of village funds will help or facilitate access in the village, overcome problems that can be resolved, especially in terms of public infrastructure development because the distribution of the budget is carried out fairly and evenly.

1. Advancing human resources in the village

The larger the village fund budget provided by the central government every year, demands that the human resources in the village are of higher quality in managing these funds. Therefore, in addition to the funds used for village development such as infrastructure and facilities, it will also be used for the development of quality human resources. (dosenppkn.com accessed on January 25, 2020) [9].

The conclusion obtained from the explanation above is that basically the purpose and benefits of the existence of village funds are none other than for the development and welfare of the village community.

2.3. Village fund management

Village funds are activities carried out from planning, implementation and evaluation as well as responsibility for the activities carried out, so that in regulating village funds, it must be based on principles, implementation and participation regularly and obediently to encourage the creation of good governance in implementation in village communities. Permendagri No. 113 of 2014) [10]. Meanwhile, he stated that the allocation of village funds, known as ADD, is the funds allocated by the district government for
villages sourced from the APBN (balancing fund) received by the district after deducting personnel expenditures.

Based on the explanation above, it can be seen that the management of village funds is an activity that includes the budget process originating from the APBN which will be channeled to each village which will then be achieved and facilitated.

2.3.1. Village fund management principles

Suharto [11], stated that in regulating the management of the Village Fund, it must be in accordance with the principles of the Village Fund, namely:

1. All activities financed by the Village Fund are programmed, implemented and monitored transparently according to the principles of the community, by the community, and for the community.

2. All activities must be recognized according to managerial, general and statutory regulations.

1. Village Funds are carried out on an economical, regular and targeted basis.

2. Activities funded by the Village Fund are really intended to add to public infrastructure that is useful for serving the community in terms of meeting basic needs, strengthening village organizations and other activities required by community members which are decided through deliberation.

3. The Village Fund must be written in the APBDes and the budgeting process follows the applicable mechanism.

Meanwhile, according to Taslim [12] village finances are managed based on the ADD principle, namely:

1. Article 1 of Government Regulation Number 60 of 2014 [13] concerning Village Funds Sourced from the APBN stipulates that village funds are funds sourced from the APBN.

Based on the explanation that has been mentioned, the principle of using village budgets is generally related to village funds which must later be reported to the government and also the state in accordance with applicable regulations, whether in the form of government regulations or laws.

3. Discussion

This study attempts to analyze the use of village fund allocations during the COVID-19 pandemic and post-pandemic to improve community welfare and village development. The increase in Original Regional Revenue (PAD) is expected to have a significant effect on the allocation of the capital expenditure budget and the increase in capital investment is also expected to increase public participation in development which increases from the increase in PAD. The increase in PAD is expected to have a significant effect on the allocation of the capital expenditure budget. In addition, increased investment is expected to increase public participation in existing development from increasing PAD [16]. In other words, the construction of various public sector facilities will increase regional incomes and the implementation of decentralization makes development a top priority for local governments to increase PAD. Therefore, fiscal decentralization of local governments is expected to be more optimal in managing their resources so that local governments can focus more on using their own PAD to finance capital expenditures that support the government’s goal of improving public services.

4. Theoretical Concept

This allocation concept examines that this research analyzes the use of village funds during the pandemic and post-pandemic in terms of increasing village development and community welfare, whether it has been carried out in accordance with applicable procedures or rules.

5. Conclusion

This theoretical concept will be tested using a qualitative approach to determine whether the use of village fund allocations has been carried out in accordance with the procedures or mechanisms of government regulations.

This research will make it easier for the government to approach the monitoring of the use of village fund allocations in order to improve community welfare and village
development. In addition, for village officials, it can be used as material for consideration and a source of information and monitoring of the allocation of village funds whether it has been carried out according to procedures. Academically, this research can be analyzed further for other villages that are in the process of village development and need attention in terms of improving community welfare. Therefore, the main objective of empirical studies and practical objectives is a national framework to integrate village development programs during the pandemic and post-pandemic to conform to regional development policies or procedures.

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References


