

Conference Paper

Reflection on Rural Development: Village Fund, Village Tour, and the Covid-19 Pandemic

Fajar Sidik

Educational Policy Study Program, Universitas Negeri Yogyakarta

ORCID:Fajar Sidik: <https://orcid.org/0000-0003-4763-3617>**Abstract**

In 2015 the central government implemented the Village Fund program for all villages in Indonesia. The objective of this program was to accelerate poverty alleviation and promote village independence. One of the development priorities in rural areas is to achieve village independence by developing tourism villages with village funds. Meanwhile, at the end of 2019, the Covid-19 pandemic that broke out in Indonesia led to an increase in poverty in rural areas. This increased the need for assistance from village funds to help improve the welfare of the poor. In this study, the Giri Manik Village was examined because it was one of the national pilot villages in developing a tourist village using village funds. The research was conducted using a qualitative approach. Data were collected through interviews, observations, and documentation analysis. Based on the results, it can be concluded that developing the physical infrastructure of tourist villages does increase the income of the poor through cash-intensive labour. However, the benefits of tourist villages are largely enjoyed by the village elite.

Keywords: village funds, tourist village, village elite, poor people, the Covid-19 pandemic

1. Introduction

The central government issued a policy of Law Number 6 of 2014 concerning Villages in the form of Village Funds to reduce poverty in rural areas. In the provisions of this policy, the central government provides Village Funds to all villages in Indonesia. The Village Fund provided by the central government aims to alleviate poverty and encourage the acceleration of rural independence. Based on the Village Development Index (IPD) in 2014, it shows that there are 20,168 underdeveloped villages (27.22%) of the total number of villages in Indonesia reaching 74,093 villages [1] with the number of poor people reaching 17.94 million people in March 2015 [2]. Rural development with Village Funds has become a national development priority under President Joko Widodo's administration from 2015-2024.

Corresponding Author:

Fajar Sidik

fajarsidik@uny.ac.id

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From 2015-2019, the central government has provided a total Village Fund budget of IDR 257 trillion. In detail, the Village Funds provided are IDR 20.67 trillion (2015), IDR 46.98 trillion (2016), IDR 60 trillion (2017), IDR 60 trillion (2018), and IDR 70 trillion (2019) [3]. During the four years, much of the infrastructure in rural areas were built, including 191.6 thousand kilometres (km) of village roads; 1,140.4 km of village bridges; 9 thousand village market units; 4,175 units of village reservoirs; 24.8 thousand posyandu units; 959.6 thousand units of clean water facilities; 240.6 thousand units of baths, washing, latrines (MCK); 9,692 units of Polindes, 50.9 thousand units of PAUD; and 29.5 million drainage units [4]. In 2019-2024, the central government plans to increase the Village Fund to reach 400 trillion [3].

After the Village Fund was implemented since 2015, the central government considered it successful that many villages experienced growth and increased economic activity. The Village Fund policy can accelerate the village economy through various infrastructure developments, human empowerment, and other supporting activities. One of the priorities of the Village Fund is to establish and develop Village-Owned Enterprises or so-called BUM Desa [5]. In 2014, the total number of BUM Desa was 1,022 BUM Desa units. From 2015-2018, the Village Fund increased the number of BUM Desa in Indonesia to 61% or 45,549 BUM Desa units [6].

Based on Permendesa Number 4 of 2015, BUM Desa can function as an economic driver in rural areas. The Village Government, together with the community, can establish and develop BUM Desa. The purpose of BUM Desa is as a village institution that manages, empowers village assets and village potential for mutual welfare. One of the businesses most developed by BUM Desa is a tourist village [7]. The village government built various physical infrastructure to support the main tourism village to accelerate the improvement of the welfare and standard of living in rural communities. The central government believes that developing the tourism village sector with the Village Fund can accelerate poverty alleviation and independence in rural areas [8].

Meanwhile, at the end of December 2019, the coronavirus outbreak (Covid 19 Pandemic) hit various parts of the world, including Indonesia. The World Bank predicts that the Covid-19 pandemic could push 71 million people to the brink of extreme poverty. This estimate is based on the latest projections for global economic growth to contract by 5.2% in 2020 [9]. In Indonesia, the Central Statistics Agency stated that in March 2020 there was an increase in the number of poor people by 1.63 million people compared to the September 2019 period. The number of poor people in Indonesia is currently recorded at 26.42 million people [10].

Here, the research formula proposed is to what extent is the impact of the development of a tourist village by utilizing Village Funds on the poor during the Covid 19 pandemic in rural areas? The research objective is to explain the empirical conditions of the impact of the development of a tourist village using the Village Fund on the poor during the Covid-19 Pandemic. The research was conducted in one of the national pilot villages which were considered successful in developing a tourist village with Village Funds by the central government, namely Giri Manik Village.

2. Related Works/Literature Review

The Village Fund is sourced from the State Revenue and Expenditure Budget (APBN), which is intended for all Villages which are transferred through the Regency/City Regional Revenue and Expenditure Budget (APBD). The amount of the Village Fund given to each village varies based on the consideration of population size, poverty rate, area size, and geographic difficulty level (Law No. 6/2014 on Villages, article 72 paragraph 2). The Village Fund is distributed evenly and legally to improve village public services, alleviate poverty, advancing the economy, overcoming the problem of development disparities between villages, and strengthening rural communities as the subject of development.

The formal arrangements for planning and implementing the Village Fund are based on legal regulations/provisions under the authority of the village government because the village has the right: (1) Regulating and managing the interests of the community based on the rights of origin, customs and socio-cultural values of the community, (2) Determine and manage programs from the central government as a Village institution, (3) Net income, in the form of Village Funds from the State Budget (Law No. 6/2014 on Villages, Article 67 Paragraph 1). The Village Fund is then realized through family and democratic village deliberations organized by the village government, the Village Consultative Body/BPD, and various community elements in a participatory manner (Permendesa No. 16 of 2019 on Village Deliberations).

In implementing tourism village infrastructure development, Village Funds are realized in a self-managed manner using various local resources / raw materials, prioritized to absorb labour from the local community, mostly the unemployed and the poor (PMK No.50 / 2017 Article 128). The cash for work scheme is one of the priority cash-intensive activities by providing direct honoraria to workers involved on a daily or weekly basis. Cash-intensive activities in the development of village physical infrastructure are aimed at strengthening community purchasing power, increasing village economic growth, and

community welfare using the Village Fund assistance instrument (Village Fund Pocket Book).

Various physical infrastructure for tourist villages built by the village government is then managed through BUM Desa as a collective forum for the community and village government to manage and take advantage of the benefits of village tourism. BUM Desa is a business entity that is wholly or most of the capital owned by the Village through direct participation derived from separated Village assets to manage village assets, services and other businesses for the maximum welfare of the Village community (Law No. 6/2014 on Villages, Article 1), one of which is a tourist village.

The processes and mechanisms for utilizing Village Funds in rural development above reflect the institutional approach. It can be said that this is because according to North he explains the institution as a boundary designed technocratically by arranging political, economic, and social interactions in the community to encourage the effectiveness of rural economic growth. The institution is formed based on the boundaries of the applicable informal agreement (in the form of customs, traditions, sanctions, and code of ethics/norms), and formal rules (Village Regulations). Institutional arrangements are designed technocratically to manage village economic resources to create order, prevent conflict and reduce uncertainty. With the applicable formal and informal boundaries, community behaviour can be technically regulated and directed to make rational choices by prioritizing efficiency and effectiveness, profitability and feasibility of village tourism businesses [11].

Institutionally, the results of the study show that the Village Fund increases the income of the poor in rural areas [12]. Many studies were then developed to assess the effectiveness of Village Fund implementation, such as unclear distribution procedures [13], low capacity of village officials [14], low transparency and accountability [15], and still low control and community participation [16]. These studies then provide recommendations for technical improvements to village institutions to optimize physical infrastructure development projects and empower all villagers with the Village Fund.

However, the studies using the institutional approach above fail to look at the problem of power relations in the social structure of society which is the root of poverty itself, namely social inequality. In contrast to studies of institutional approaches, studies with a political economy approach can explain and confirm that the problem of poverty is inseparable from the problem of inequality in power relations in the social structure of society that is formed in rural areas [17]. The results show that the development of village physical infrastructure only benefits a handful of people [18] and causes social

inequality to widen [19]. Thus, discussing social inequality is very important to see the impact of Village Fund assistance on the poor during the current Covid-19 pandemic.

3. Material & Methodology

Giri Manik Village was used as a research site because it was one of the national pilot villages in Bantul Regency in the use of Village Funds for the development of tourism villages. The name of the village (Giri Manik) is not the real one and is meant to maintain secrecy. Learning from the practical experience of Giri Manik Village, this study can explain the impact of village tourism development by utilizing Village Funds on the poor during the Covid 19 Pandemic. This research uses qualitative research [20] with a case study approach [21]. Qualitative research is used to explore problems that are not clear or are still assumptive in more detail and clear, limited by time, place, factual and contextual [22]. Interview, observation, and documentation techniques to collect primary and secondary data. Primary and secondary data analysis was carried out through the analysis stages, as follows; data reduction, data display, and conclusion/verification [23]. Primary and secondary data analysis was performed using a qualitative analysis model, according to Miles and Huberman. In the analysis process, the data triangulation technique is used to test the validity of the data by checking and double-checking the data from interviews, observations, and documentation to support and strengthen one another [20].

4. Results and Discussion

Giri Manik Village is one of the famous natural tourist destinations in Bantul Regency. Giri Manik village develops agro-tourism based tourism. Giri Manik Village has a population of 4,654 in 2019. Most of the residents of Giri Manik Village are farmers. There are 16 natural tourist destinations that have been developed. The average income earned is around 8 billion each year, with hundreds of thousands of visitors. Several tourist village locations are managed between the Giri Manik Village Government with the Bantul Regency Tourism Office and the DIY Provincial Tourism Office. The village government of Giri Manik together with the community has also developed various tourist destinations spread over six hamlets with the Village Fund.

From 2015-2019, on average, the Giri Manik Village Government received around 850 million Village Fund each year. The Village Fund is mostly used for the development of village physical infrastructure, namely tourism village facilities and infrastructure. This

tourism village development priority is implemented following the results of village deliberations. When referring to the regulations, village meetings become a democratic forum used to make strategic decisions in prioritizing Village Fund allocations by involving various elements of the village community. Village deliberations are held based on Permendes No.2 of 2015, which involves the village government, BPD, and community elements, such as community leaders and representatives of farmer groups, fishermen, craftsmen, women, child protection and observers, and the poor (Article 5). The village meetings that are held are still formality in nature and still ignore the aspirations and representation of the poor, such as farm labourers and daily/odd jobs.

In Giri Manik Village, the development and orientation of the development of a tourist village using Village Fund assistance are under the control and representation of village elites. Village elites are understood as a small group of individuals who are at the highest level and can control the political and policy processes at the village level. In other words, the village elite is part of a tiered community structure that has the privilege of being the ruling class or the governing elite. According to Mosca and Pareto, the ruling class and governing elite are the only actors or agents who play an essential role in the democratization process in the village (Haryanto, 2017).

In this context, the term village elite is used fluidly not only for actors at the highest hierarchical level in the village government (such as village officials) but also for actors/village leaders who have substantial socio-economic capital and can influence policymaking and village government decision making. In the Village Conference, elites freely convey aspirations and interests that are beneficial to themselves and particular groups.

The Giri Manik Village Government has formed and developed a BUM Desa, but it has not worked. This problem is because the tourism village developed in Giri Manik Village is more dominantly managed by groups in each padukuhan or called the Tourism Awareness Group (Pokdarwis). Pokdarwis that are scattered in each padukuhan generally consists of people who have a social position and are financially able, including village officials. Village elites involved in Pokdarwis are the dominant parties who benefit from the advancement of tourism villages thanks to the Village Fund. Village elites with positions/positions and powers possessed both socially and economically are increasingly developing business businesses to multiply the income from the advancement of tourism villages every year.

It is different from the fate of the odd jobs and small farmworkers who are there. The workers are the executors of various decisions made by the village elite. The various physical infrastructures of the village that support the tourism village are done by farm

labourers and odd jobs using the Village Fund. Of the various physical infrastructure development projects that have been built, workers receive honoraria/wages of Rp 85 thousand to Rp 95 thousand per day. Casual workers are not much involved in managing tourist villages. The odd workers or the existing poor have indeed increased their income from participating in cash work projects in the development of village physical infrastructure financed by the Village Fund. This fact shows that the workers are only spectators of the progress of the tourism village being developed, after the various physical infrastructures that support the tourism village are built every year.

During the Covid 19 pandemic, odd jobs were not working/unemployed and without income. They can only survive by pocketing assistance from the central government. The Giri Manik Village Government has recorded an increase in the number of poor people who received Covid 19 assistance which was distributed from the central, regional and village governments, from around 400 families to around 1,000 heads of families. Casual daily labourers in rural areas, most of whom do not have production land (such as rice fields or agricultural land), are the poorest people who are most vulnerable and most affected by the Covid 19 pandemic.

5. Conclusion

Until now, many people see the village as a place where residents share economic resources in a relatively equal manner and live in harmony for the benefit of all. This inaccurate view remains the foundation of the central government in intensifying Village Funds to overcome poverty problems in rural areas. One of the main priorities of the central government is to encourage village independence and accelerate village poverty alleviation by developing massive tourist villages using the Village Fund.

So far, many studies have tended to see the implementation of the Village Fund program using an institutional approach. Research with this institutional approach is only able to see the effectiveness of the implementation of the Village Fund from the aspect of institutional effectiveness, such as technical procedures and mechanisms for the distribution of Village Funds regulations, implementing commitment, transparency, and accountability. As a result, social inequality between village elites and low rural workers is still rarely disclosed and explained.

During the current Covid 19 pandemic, rural development efforts with Village Funds that have been carried out by the central government to realize village independence are being tested for reliability. Based on the practical experience of Giri Manik Village,

the research results obtained have confirmed that the physical infrastructure development of a tourist village has indeed increased the income of the low/labourers through cash-intensive labour. However, the growing development of a tourist village with a variety of physical infrastructure built is only enjoyed by the village elite. With the current Covid 19 pandemic, families of odd jobs/poor people live in vulnerability and bondage to the problem of poverty in rural areas. These situations and conditions indicate that the reflection of rural independence with the Village Fund in developing a tourism village needs to be carried out and discussed in other villages.

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