

## **Analysis Of The Effectiveness Of Village Fund Policy In Economic And Infrastructure Development In Palangka Village, South Sinjai District, Sinjai Regency**

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### **ABSTRACT**

This study aims to determine economic and infrastructure development, the effectiveness of the use of village funds in economic and infrastructure development and the impact of economic and infrastructure development on the community in Palangka Village, South Sinjai District, Sinjai Regency. The results of the study show that (1) Economic development in Palangka Village, South Sinjai District, Sinjai Regency is realized in the field of community empowerment where there is the formation of Village-Owned Enterprises and the provision of capital for cooperatives and MSMEs. Management training is facilitated for cooperatives and MSMEs. Meanwhile, infrastructure development is realized through the construction and improvement of community road access and the construction of irrigation channels for farmers; (2) The effectiveness of the use of funds in Palangka Village, South Sinjai District, Sinjai Regency in 2019 was 98.23%, in 2020 it was 99.50%, in 2021 it was 94.94%, in 2022 it was 97.84% and in 2023 it was 95.36%. From 2019 to 2023, the effectiveness of the use of funds in Palangka Village, South Sinjai District, Sinjai Regency is in the " effective" category; (3) Economic development and infrastructure development in Palangka Village, South Sinjai District, Sinjai Regency have an impact on the community. Economic development is realized through the formation of BUM Desa, the community feels helped so that this can also open up employment opportunities. The community also gets capital and opens businesses. So this can increase community income.

**Keywords:** Village Funds, Effectiveness, Economy, Infrastructure, Development

## INTRODUCTION

The government has enacted Law Number 6 of 2014 concerning Villages. This law regulates the authority of the village government regarding government affairs and community welfare in accordance with the Government system of the Unitary State of the Republic of Indonesia. So in this law, the village government is given the responsibility to manage governance and carry out development in improving the welfare of village communities. Development is carried out with the aim of increasing public welfare (Arga *et al.*, 2022). Development in the village area is one of the priorities of the Republican government Indonesia, as an effort that aims to advance community prosperity. To achieve this progress of course a budget (Ludyanto *et al.*, 2024).

The use of Village Funds is prioritized for development and empowerment of village communities in accordance with the development priorities of Village Funds set by the Ministry of Villages, Development of Disadvantaged Regions, and Transmigration. Village Funds can be used for non-priority activities as long as the requirements for successful development and community empowerment initiatives have been met. This research focuses on economic development and infrastructure development. Ongoing economic development must be in accordance with the potential and priorities of each region. Infrastructure can be defined as facilities originating from various jobs the main historically supported by public sector to increase output private sector and possible household expenditure (Berutu *et al.*, 2022). Infrastructure not just limited in perspective economy but also related to the field government defense and sustainability (Bakri & Prihartanto, 2020).

One of the village development efforts is to accelerate the fulfillment of village infrastructure, improve community welfare, improve living standards and be used for village community empowerment which is expected to be able to develop village potential and make villages a pillar of the regional and national economy. Using village funds that are not in accordance with the principles of ADD (Village Fund Budget) is not right. Therefore, the effectiveness of the village apparatus in managing village finances is needed. According to Hidayanti, the effectiveness of development can be said to be successful if its implementation is based on three indicators, namely planning, implementation and supervision.

Village development initiatives include raising living standards, boosting community welfare, building infrastructure more quickly, and using it to empower village communities so they can reach their full potential and become self-sufficient in supporting the regional and national economies. Using village funds in a way that goes against the ADD (Village Fund Budget) rules is not appropriate. As a result, village officials need to handle finances more skillfully. According to Hidayanti, the effectiveness of successful development can be seen from three indicators, namely planning, implementation, and supervision (Hidayanti, 2022).

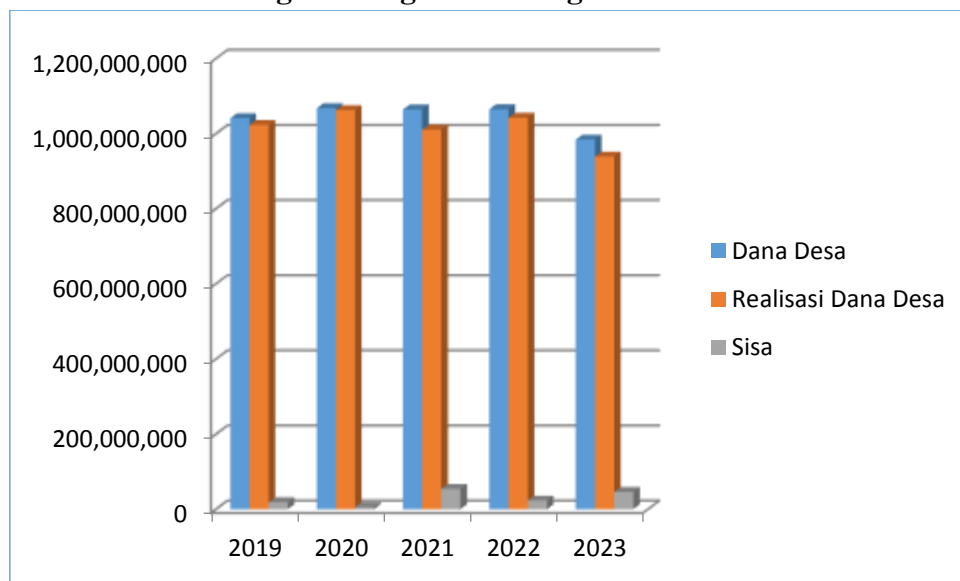
Similar research was conducted by Winarianti (2020) with the title "Effectiveness of Village Fund Allocation in Increasing Physical Development in Gowa Regency". The study's findings demonstrated the efficacy of the three phases in the planning, execution, and accountability management process that made up Pakatto Village's Village Fund Allocation. Despite being successful during the planning phase, it was deemed ineffectual during the accountability phase and less successful during the implementation phase. The allocation of village money and human resources (HR) are two factors that lessen the usefulness of village funding.

Research by Andi Yuni Andriani, Herman, & Rusli (2023), where the study shows that the Effectiveness of the Reporting Process for the Realization of the Use of Village Funds has not been in accordance with the predetermined schedule, resulting in delays in the disbursement of funds for the next stage. Accountability for the use of Village Funds so that the community cannot evaluate the results of the work of the Village Government and Accountability to the Regional Government which is not carried out on time. The condition of economic development and infrastructure in Sumare Village, Simboro District, Mamuju Regency has experienced increased development, especially in the agricultural sector. And in economic development has been carried out quite well.

Another study was conducted by Putra & Dahliah (2019), entitled "Effectiveness of Village Fund Policy in Economic and Infrastructure Development in BatuBelerang Village, SinjaiBorong District, Sinjai Regency". The results of the study indicate that the village fund policy in the economic and infrastructure development of BatuBelerang Village can be said to be effective.

The following shows the allocation of village funds in Palangka Village, South Sinjai District, Sinjai Regency.

**Figure 1**  
**Palangka Village Fund Diagram 2019-2023**



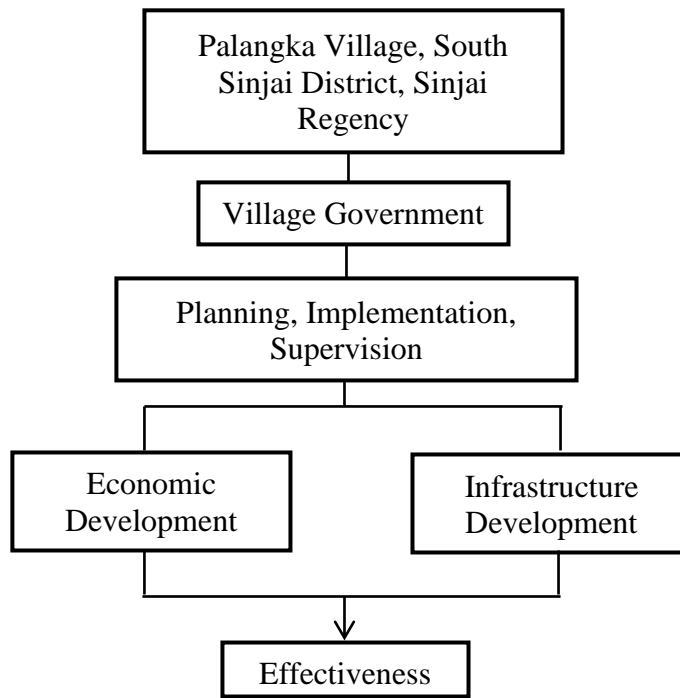
Source: Palangka Village Office, 2024

Based on the diagram above, it can be seen that in 2019 the Village fund was IDR 1,041,144,715 and was realized at IDR 1,022,744,801, in 2020 the Village fund was IDR 1,067,509,199 and was realized at IDR 1,062,250,400, in 2021 the Village fund was IDR 1,064,046,799 and was realized at IDR 1,010,292,700, in 2022 the Village fund was IDR 1,065,001,599 and was realized at IDR 1,042,021,377, and in 2023 the Village fund was IDR 984,091,222 and was realized at IDR 938,453,078. From 2019 to 2023, the Village funds provided were used well, even the funds were still left over. Based on this, it can be said that the government is serious about equalizing urban and rural development.

As for development in Palangka Village, South Sinjai District, Sinjai Regency, namely infrastructure development is focused on road construction. So village funds will be prioritized to build roads in areas that need repair. The problems found by researchers are the management of waste disposal which is still not properly organized, as well as land for burning waste that can pollute the soil. Based on the descriptions above, researchers are interested in researching the effectiveness of Village fund policies in Palangka Village.

**Frame of Thought**

**Figure 2**  
**Frame of Thought**



In order to find out whether the use of village funds in economic development and infrastructure development in Palangka Village has been effective or not, it is done by observing and identifying the planning, implementation, and supervision of the use of Palangka Village funds. Those involved are the Village government and the community of Palangka Village, South Sinjai District, Sinjai Regency.

**Hypothesis**

The hypothesis in this study is that the use of village funds for economic and infrastructure development in Palangka Village has been carried out effectively, and economic and infrastructure development in Palangka Village has had a positive impact on the people of Palangka Village.

**METHODE**

This study uses a qualitative method with a descriptive approach. The study was conducted in March - April 2024 in Palangka Village, South Sinjai District, Sinjai Regency.

**Research Focus**

The focus of this study is the effectiveness of village fund policies in economic development and infrastructure development in Palangka Village, South Sinjai District, Sinjai Regency.

## Data Collection

### 1. Observation

According to Sugiyono, observation is a multifaceted process consisting of memory and various biological processes (Sugiyono, 2019). In this study, the observation carried out by the author is to analyze whether the policy of using village funds is effective in economic development and infrastructure development in Palangka Village, South Sinjai District, Sinjai Regency.

### 2. Interview

According to Sugiyono, an interview is a meeting between two individuals with the aim of exchanging concepts and information through questions and answers in order to solve a problem (Sugiyono, 2019).

Interviews are conducted by means of questions and answers with parties related to the research problem, namely the Apparatus working at the Palangka Village Office, South Sinjai District, Sinjai Regency. The interview technique that will be carried out is face-to-face interviews. The informants in this study were (1) Village officials, namely the Village Head, Secretary, and Treasurer of Palangka Village, South Sinjai District, Sinjai Regency; (2) Farmers; (3) Transportation actors

### 3. Dokumentasi

According to Sugiyono, documentation is a data collection process that involves the use of written materials such as books, documentation magazines, regulations, diaries, and so on (Sugiyono, 2019).

The documentation is related to the effectiveness of the policy of using village funds in economic development and infrastructure development in Palangka Village, South Sinjai District, Sinjai Regency.

## Data Analysis Techniques

To find out the economic and infrastructure development in Palangka Village, South Sinjai District, Sinjai Regency and its impact on the community, interviews were conducted with informants using face-to-face interview techniques.

To find out the effectiveness of the village fund policy, the data was then studied descriptively using effectiveness data analysis, which describes the ability of the village government to realize funds from the community to implement planned programs from targets that have been determined based on potential real value. The analysis used to calculate the level of effectiveness of village funds in Palangka Village, South Sinjai District, Sinjai Regency uses a formula based on Rizki's research (2023) as follows:

$$\frac{\text{Realisasi Anggaran Dana Desa}}{\text{Target Anggaran Dana Desa}} \times 100$$

## Operasional Variables

1. Effectiveness is a measure that states how far the quantity, quality and time have been achieved in the village fund policy.
2. Village funds are funds intended for use in Palangka Village, South Sinjai District, Sinjai Regency and sourced form the state budget.

3. Economic development is an effort to improve the standart of living of the people in Palangka Village which is often measured by the high level of real income per capita.
4. Infrastructure development is the development of potential and strategic areas in Palangka Village, South Sulawesi District, Sinjai Regency.

## **RESULT AND DISCUSSION**

### **Economic Development and Infrastructure**

Development is defined as a process and effort aimed at improving various aspects of life, including economics, politics, culture and community infrastructure (Zahra *et al.*, 2024). To realize economic development and infrastructure development in Palangka Village, the government has prepared a Village Fund program. With the Village Fund, it is hoped that Palangka Village can increase economic development and infrastructure development in the Village.

Economics development is defined as efforts to increase per capita income by processing potential economic power because a real economy by investing, increasing skills, additional knowledge, use of technology, increasing the ability to organize, and improve managment standards (Brilyawan *et al.*, 2019). It can be said that economic growth is proceeding smoothly in Palangka Village, South Sinjai District, Sinjai Regency. This is evident from a number of program initiatives in Palangka Village, including the establishment of a village-owned enterprise and the lending of funds to MSMEs and cooperatives in the area of community empowerment. Training in management is provided to MSMEs and cooperatives. One advantage of economic development in Palangka Village, South Sinjai District, Sinjai Regency, is that it facilitates MSMEs and BUMDES borrowing. This is in line with Santoso's research (2018) which states that Village funds in community empowerment can help people start MSMEs through empowerment in the Village and make loans at BUMDES which are only based on trust.

According to Regulation Number 38 of 2015 about government cooperation with the agency business in providing infrastructure, Infrastructure is a technical, physical, system, hardware and software needed to provide services to the community and supports structural networks (Afriyana *et al.*, 2023). Infrastucture is characterized as physical infrastructure which provides social transportation facilities and economy, irrigation, drainage, building, and other public facilities needed to meet basic human needs (Sri Mulyani *et al.*, 2020). The quality of the nation's infrastructure is also an important factor in welfare public (Siregar *et al.*, 2022). For infrastructure development in Palangka Village, South Sinjai District, Sinjai Regency, it is running well and as expected. Infrastructure development is realized by road construction, road repairs and construction of irrigation channels for farmers. The construction of irrigation channels for farmers has made a major contribution to the people of Palangka Village, South Sinjai District, Sinjai Regency, most of whom work as farmers. This is in line with Mangeto's research (2018), where most of the people in his research work as farmers. In addition, he stated that the construction of clean water and irrigation facilities is very beneficial for the community, most of whom work as farmers. Farmers are helped by the construction of infrastructure in the Village. Farmers are no longer constrained by the problem of water availability and with the existence of village funds used for infrastructure development. In addition, road construction was also carried out on roads that were not yet accessible properly and road repairs on several roads that were damaged in several areas.

**Figure 2**  
**Road Construction and Repair**



**Figure 3**  
**Construction of Irrigation Channels**



### **Effectiveness of Village Fund Usage**

Village funds are used for village development with the aim of improving community welfare, improving quality of life and alleviating poverty (Rahayu *et al.*, 2022). To measure the effectiveness of the use of village funds, it can be seen from the allocation of funds for Palangka Village. The following is the allocation of funds for Palangka Village, South Sinjai District, Sinjai Regency from 2019 to 2023.

The analysis used to calculate the level of effectiveness of village funds in Palangka Village, South Sinjai District, Sinjai Regency uses a formula based on Rizki's research (2023) as follows:

$$\frac{\text{Realization of village fund budget}}{\text{Target of village fund budget}} \times 100$$

Based on the calculation results, the following is a percentage table that explains the effectiveness of the use of funds from Palangka Village, South Sinjai District, Sinjai Regency.

**Table 1**  
**Percentage of Village Fund Allocation in Palangka**

No	Year	Target of village fund budget (IDR)	Realization of village fund budget (IDR)	Percentage (%)
1	2019	1.041.144.175	1.022.744.801	98,23%
2	2020	1.067.509.199	1.062.250.400	99,50%
3	2021	1.064.046.799	1.010.292.700	94,94%
4	2022	1.065.001.599	1.042.021.377	97,84%
5	2023	984.091.222	938.453.078	95,36%

Source: Processed Data, 2024

From 2019 to 2023, the effectiveness of the use of funds in Palangka Village, South Sinjai District, Sinjai Regency is in the "effective" category. Regarding the management of the use of Village funds based on Law No. 6 of 2014, it consists of the planning, implementation and supervision stages. Based on the results of the study, these three stages are running well in Palangka Village.

This is demonstrated by the planning step, wherein each hamlet held its own deliberation prior to the unified deliberation of Palangka Village. Furthermore, the presence of the community that took part in the planning stage shows how heavily the community participated in the planning phase. Furthermore, information is also acquired in a transparent manner, with the outcomes of the hamlet conversation being shared with the community at large and followed by a joint deliberation of Palangka Village. This is in accordance with Law No. 6 of 2014 in Article 80 paragraph 1.

At the implementation stage, the results of the study show that every development is carried out based on the results of a joint deliberation agreed upon at the hamlet level and decided at the Village deliberation. As for the development itself, it involves the Palangka Village community itself. As in infrastructure development carried out through mutual cooperation by the Palangka Village community. This is also in line with Law No. 6 of 2014 in Article 81 paragraphs 1 to 3 which read:

- 1) Village Development is carried out in accordance with the Village Government Work Plan
- 2) Village Development is carried out by the Village Government by involving the entire Village community with a spirit of mutual cooperation
- 3) Implementation of Village Development is carried out by utilizing local wisdom and Village natural resources.

Meanwhile, in the supervision stage of the management of Palangka Village funds, it also went well even though it was not appropriate. This is evidenced by all activities or development programs in Palangka Village, accountability reports were made and informed to the entire Palangka Village community. This is in accordance with Law No. 6 of 2014 Article 82 paragraph 1 that "Village Communities have the right to receive information regarding Village Development plans and implementation". However, in the accountability report in Palangka Village related to the use/management of Village funds, it can be followed by the Village head, Hamlet head, and parties or Village apparatus and cannot be followed by the entire community. Even though it was not followed by the people of Palangka Village, the results of this LPJ were informed to the entire community of Palangka Village.



## Constraints and Impacts of Infrastructure and Economic Development

The economic and infrastructure development of Palangka Village certainly has an impact on the village community. Based on the results of interviews with informants, economic and infrastructure development in Palangka Village has a positive impact on the community and does not have a negative impact. For economic development itself, it is realized by the formation of BUMDES and the provision of capital for cooperatives and MSMEs. In addition, management counseling is also carried out for cooperatives and MSMEs. This has a very good impact on the community. Where the community can increase their income levels. Another positive impact is the construction of irrigation channels that make it easier for farmers to meet their rice field water needs. With good irrigation channels, it also helps their harvest. Of course this can help the economic development of the Palangka Village community. This is in line with Rizki (2023), who said that "By increasing productivity and better road access, farmers have the potential to increase their income. This can contribute to economic development in the community".

The negative impact of road construction or repair is that after the road is repaired, many young people use this road in the wrong way, namely by driving recklessly. Another negative impact is on farmers' irrigation channels. After the irrigation channels are built, the remaining building materials left on the farmers' land are difficult to clean, making it difficult for farmers to clean them. In addition, there is a lot of garbage that clogs the irrigation channels. The obstacles faced during the process of realizing infrastructure development in Palangka Village, South Sinjai District, Sinjai Regency are weather constraints. When repairing roads and irrigation channels, it was the rainy season so construction was delayed for a while. In addition to being constrained by the weather, another obstacle faced during the process of building roads and irrigation channels was that the materials for building roads and irrigation channels arrived late so they had to wait until the materials were complete.

## CONCLUSION

The conclusion of this study are (1) Economic development in Palangka Village, South Sinjai District, Sinjai Regency is realized in the field of community empowerment where there is the formation of Village-Owned Enterprises and the provision of capital for cooperatives and MSMEs. Management training is facilitated for cooperatives and MSMEs. Meanwhile, infrastructure development is realized through the construction and improvement of community road access and the construction of irrigation channels for farmers; (2) The effectiveness of the use of funds in Palangka Village, South Sinjai District, Sinjai Regency in 2019 was 98.23%, in 2020 it was 99.50%, in 2021 it was 94.94%, in 2022 it was 97.84% and in 2023 it was 95.36%. From 2019 to 2023, the effectiveness of the use of funds in Palangka Village, South Sinjai District, Sinjai Regency is in the " effective" category; (3) Economic development and infrastructure development in Palangka Village, South Sinjai District, Sinjai Regency have an impact on the community. Economic development is realized through the establishment of BUM Desa, the community feels helped so that this can also open up employment opportunities. The community also gets capital and opens a business. So this can increase community income.

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