

Research Article

Infrastructure Development of the Village Fund Model of Poverty Eradication in Indonesia

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Abstract.

Poverty is a problem of global society. Indonesia also faces the same problem. As a developing country, the poor population in Indonesia is also relatively large. The Village Fund was initiated by the government to become an excellent program that is expected to eradicate poverty. Since it was implemented in 2015, until now there have been many problems related to the Village Fund program. This research was conducted to analyze the supporting and inhibiting factors for the effectiveness of village funds in alleviating poverty. This research used descriptive qualitative methods, with data collection techniques through observation, in-depth interviews, and document searches. From the research conducted, there has been an increase in infrastructure development in the village through the Village Fund. However, infrastructure improvements have not been effective in reducing the number of poor people. This is driven by the large allocation of village funds for infrastructure development rather than allocations for activities that directly impact the improvement of the people's economy.

Keywords: village fund, poverty in the village, infrastructure in Indonesia

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1. Introduction

Poverty is one of the problems faced by countries in the world. Poverty becomes a trap in carrying out development, so that development is in a cycle of recurring problems due to existing poverty [1]. The large amount of budget absorbed to finance poverty has reduced the development budget in other sectors [2]. Many countries have budget difficulties in solving poverty problems [3]. The state budget is insufficient to finance the entire poverty alleviation program [4].

The amount of the budget for alleviating poverty, poverty is a problem for many developing countries which on average have a very limited budget. Such as in Burkina Faso, Madagascar, Morocco, Rwanda, Senegal and South Africa [5]. In East Africa, budget constraints are a problem in alleviating poverty [6]. There are many poor families



whose number continues to increase due to the lack of a poverty alleviation budget. In Sudan, the level of inequality is also increasing due to increasing poverty [7]. In Mexico, the lack of a budget is also a separate problem in dealing with poverty. Not all residents get adequate energy such as electricity to meet their daily needs and carry out economic activities [8]. Argentina also faces problems in alleviating poverty due to the lack of budget it has [9].

Not only in developing countries, the problem of poverty is also a problem faced by developed countries. In several European countries known as developed countries, poverty is also a problem that still needs to be resolved. In England, the problem of poverty also has an impact on the mental health of citizens [10]. Turkiye also faces the problem of poverty [11].

Indonesia has a special strategy to deal with the problem of poverty. The large number of poor people in Indonesia, including in the regions, shows that there are indications of development failure [12]. From the poverty problem map, in Indonesia many poor people live in villages. Based on these conditions, since 2015, the Indonesian government has created a Village Fund program. The Village Fund Program is aimed at equitable development down to the village level, so that the number of poor people living in the village is significantly reduced. The use of Village Funds sourced from the State Budget is prioritized to finance the implementation of programs and activities in the field of village development and empowerment of rural communities. In addition, villages also have the opportunity to develop the community's economy through training and marketing community crafts, developing livestock and fisheries businesses and developing tourist areas through Village Owned Enterprises.

The management of the Village Fund is still not optimal in accordance with the objectives of the Village Fund. The purpose of the Village Fund is to finance village development programs and community empowerment, so that equal distribution of income, employment opportunities and business opportunities for rural communities can be increased. This is due to the lack of community empowerment, and the absence of socio-cultural development. The implementation of Village Funds relies more on the physical development of the village.

This research was conducted to analyze factors that support and hinder the use of village funds in reducing poverty at the village level. This research is important to carry out because the amount of poverty in Indonesia is still relatively high. Apart from that, in terms of quality, poverty has deepened, which is known as extreme poverty. Extreme

poverty is often found in rural areas. Meanwhile, the Indonesian government, since 2015, has disbursed hundreds of trillions of funds through the Village Fund to alleviate poverty in villages.

2. Methods

The research locations are in a number of villages in Duwet Krajan Village, Tumpang District, Malang Regency, East Java, Indonesia. The selection of Duwet Krajan Village as a research location was based on one important thing, there are still a lot of monotonous infrastructure developments, and do not yet cover all the expectations for implementing Village Funds. Therefore, in order to realize better management, it is necessary to carry out detailed and comprehensive research.

This study uses a descriptive qualitative method, which describes the condition of the subject or object of research based on the facts and phenomena that appear as they are. The research method is descriptive qualitative which aims to provide a systematic and accurate description and information based on existing facts. This method also presents directly the nature of the relationship between researchers and informants. This method is more sensitive and able to sharpen understanding of the value patterns encountered. As well as to find out how to improve infrastructure with the Village Fund in Malang Regency.

Data collection methods used to maintain the level of accuracy. In this study, data collection techniques were carried out in a way. First, document tracing, namely data collection through written materials relevant to this research, such as literature and various documents and reports issued by related agencies, as well as published in the mass media. Second, observation or direct observation to the field, namely data collection where the author goes directly to the object of research, which is carried out intentionally, directed, systematically, and planned according to the objectives to be achieved by observing & recording all events and phenomena that occur and referring to the requirements and rules in research. Third, in-depth interviews, which is a method of collecting data in a systematic way to obtain information about the problem under study based on research objectives. The following are informants who were interviewed.

The data analysis technique in this study uses data analysis techniques proposed by Miles, Huberman and Saldana [12]. According to Miles Huberman and Saldana, there are three stages of data analysis, namely: First, data reduction. Data reduction is a selective

TABLE 1: List of interviewed informants.

Num	Initial	Atribution	Address
1.	F-A	Village head	Krajan
2.	Z-D	Village secretary	Krajan
3.	A-Y	Village Treasurer	Krajan
4.	J-N	Head of Development Affairs	Kulon kali
5.	K-M	Head of Dusun Kulon Kali	Kulon kali
6.	T-W	Head of Dusun Krajan	Krajan
7.	M-A	Chairman of the Village Consultative Council	Kulon kali
8.	S-T	Head of the Village Community Empowerment Institute	Krajan
9.	N-H	Head of Village Cadre	Krajan
10.	S-R	Head of the Family Welfare Development Team	Krajan
11.	K-H	Public figure	Krajan
12.	S-Y	Public figure	Krajan
13.	B-Q	Religious leaders	Krajan
14.	T-K	Youth organization	Krajan

process, focusing on simplifying, abstracting, transforming raw data that emerges from field notes. The process of collecting data as previously described was conducting observations, interviews and documentation to obtain the required data. Second, the presentation of data. Presentation of data is as a set of structured information that provides the possibility of drawing conclusions and taking action. The researcher continues the analysis or tries to take action by deepening the findings. Third, drawing conclusions or verification. This stage is the stage of drawing conclusions from all the data that has been obtained as a result of the research. Drawing conclusions or verification is an attempt to find or understand meaning, regularities, patterns, explanations, causal flows or propositions.

3. Result and Discussion

The village is a legal community unit that has the authority to regulate and manage the interests of the local community based on local origins and customs that are recognized in the National Government system and are located in the Regency Area. This means that the village is an independent government that is within the National Government sub-system within the Unitary State of the Republic of Indonesia [13]. The village is an

embodiment or geographical, social, economic, political and cultural entity that exists in an area, in its relationship and reciprocal influence with other regions [14]. The village can be understood as a legal unitary area where the people who live in a community have the authority (have the authority) to organize their own government. This understanding emphasizes the existence of autonomy to build village life arrangements for the benefit of the population. In this sense there is a strong impression that the interests and needs of the village community can only be known and provided for by the village community and not outsiders [15]. The village is a legal community unit that has territorial boundaries that are authorized to regulate and manage the interests of the local community, based on local origins and customs that are recognized and respected in the system of government of the Unitary State of the Republic of Indonesia [16].

Based on Government Regulation Number 60 of 2014 concerning Village Funds sourced from the State Revenue and Expenditure Budget and Government Regulation Number 43 of 2014 concerning Regulations for Implementing Law Number 60 of 2014 concerning Villages, several principal uses of village finance have been regulated. First, at least 70% of the total village expenditure budget is used to fund village government administration, village development implementation, village community development and village community empowerment. Second, a maximum of 30% of the total village expenditure budget is used for fixed income and allowances for the village head and village apparatus, village government operations, benefits and operations of the Village Consultative Body and incentives for Neighborhood Associations and Community Associations.

Implementation of Village Funds in physical development is going well. However, it is necessary to improve the performance of each party so that Malang Regency is more developed and well developed, and the use of Village Funds is effective in reducing the number of poor people. In addition, it is necessary to look again at the use of the budget for infrastructure development, not only for public works and road paving, but must be implemented in a fair and equitable manner for other infrastructure which correlates with increased welfare and economic growth. This was stated by Head of the Village Community Empowerment Institute, Sumbermanjungkulon Village, Mr. Sutrisno:

“The large amount of budget used for the construction of village roads alone makes Sumbermanjungkulon village less effective in implementing development programs, at least other public infrastructure facilities that can be funded with the Village Fund budget also pay attention to their feasibility.” (Interview with Mr. Sutrisno, Head of the Village Community Empowerment Institute Sumbermanjungkulon Village, on 10 August 2022).

The same thing was conveyed by Mr. Mustari Abu Mustofa, Chair of the Sumbermanjingkulon Village Consultative Body, Malang Regency. According to Mustofa, infrastructure development in the village is going well, this is evidenced by the high participation of residents in village meetings and other activities.

“In the future, the implementation of village funds must be increased evenly in the budgeting, perhaps the government in budgeting for village funds is not only focused on implementing public works and paving village roads. It also needs to be improved on the economic aspect of the village so that the management can be as effective as possible.” (Interview with Mr. Mustari Abu Mustofa, Chairman of the Sumbermanjingkulon Village Consultative Body, on 10 August 2022).

The supporting factor for infrastructure development in the village through village funds is community participation in the management of village funds. In Sumbermanjingkulon Village, Malang Regency, community participation in the management of the Village Fund is relatively high. This is shown by the large number of people who are enthusiastically involved in managing the Village Fund. This was conveyed by Mr. Fandi Achmad, Amd, Plt. Head of Sumbermanjingkulon Village.

“In each stage of Village Fund Management that is carried out, community participation is very high where there are a lot of people present, we provide travel tips for residents who attend and prizes for residents who are active in implementing musrenbang, we take this gift from the village’s original income budget. In addition, the community is very happy when they hear about development in the village because they really need physical facilities and infrastructure. Then during the implementation of the physical development work we empower the underprivileged community by implementing the Cash Labor Intensive Program here, people who work as volunteers are paid the same salary as the existing masons and are budgeted for from the Village Fund budget.” (Interview with Mr. Fandi Achmad, Amd, Plt. Head of Sumbermanjingkulon Village, 12 August 2022).

The same thing was conveyed by Mr. Zainal Dwi Saputra, S.Pd, Acting Secretary of Sumbermanjingkulon Village.

“The Village Fund Management process is carried out in three stages, namely planning, implementation and accountability. At every stage of implementation, community participation has been very good.” (Interview with Mr. Zainal Dwi Saputra, S.Pd, Acting Secretary of Sumbermanjingkulon Village, 12 August 2022).

The inhibiting factor for eradicating poverty through village funds is that the infrastructure built, such as road infrastructure, is damaged more quickly than expected. This has an impact on the fact that much of the budget is allocated for repairing damaged roads rather than for the development of productive economic sectors and others that are directly related to the economic aspects of the villagers. In addition to damaged roads, many primary and secondary agricultural irrigation channels were also damaged because water sources for irrigation were not maintained. Another thing that is also very important is the inadequate human resources for implementing the program. This was conveyed by Mr. Fandi Achmad, Amd, Plt. Head of Sumbermanjingkulon Village.

“The quality of human resources who are not yet qualified in the Sumbermanjingkulon village government is very influential with the planning that will be carried out so that it is necessary to improve the quality of human resources in the village government apparatus so that village government officials can increase their expertise in their respective fields in accordance with the knowledge that village officials have, especially development infrastructure.” (Interview with Mr. Fandi Achmad, Amd, Plt. Head of Sumbermanjingkulon Village, 12 August 2022).

The same thing was conveyed by Mr. Zainal Dwi Saputra, S.Pd, Acting Secretary of Sumbermanjingkulon Village. According to Saputram, the human resources of the village government apparatus are still relatively low.

“The quality of human resources in Sumbermanjingkulon Village as an internal factor is generally low, which is caused by the lack of education from village government officials, but actually this problem can be overcome by providing guidance and opportunities to receive training.” (Interview with Mr. Zainal Dwi Saputra, S.Pd, Acting Secretary of Sumbermanjingkulon Village, 12 August 2022).

The weak quality of human resources causes performance to be sluggish, this has an impact on many things, both program realization and reporting. This was conveyed by Mr. Ade Yoga Pratama, S.Pt, Treasurer of Sumbermanjingkulon Village.

“The slow reporting from the activity implementing team made it difficult for us with the existing dateline, while the disbursement of each stage must include reporting on the absorption of the budget for the previous stage, due to weak human resources by village officials most of them do not understand how to operate computers properly so they are slow to complete letters accountability, even though the government has provided all village financial system applications. Apart from that, sometimes some

of the data is not stored.” (Interview with Mr. Ade Yoga Pratama, S.Pt, Treasurer of Sumbermanjungkulon Village, 12 August 2022).

Several regions in Indonesia show trends that the Village Fund program is not effective in reducing the number of poor people, or that it has failed to reduce poverty. As happened in Pesisir Selatan District, West Sumatra, in general it has not been effective in alleviating poverty [13]. The ineffective Village Fund program also occurred in Matahora Village, Wangi-Wangi Selatan District, Wakatobi Regency, Southeast Sulawesi Province. This happened due to poor Village Fund planning [14]. The use of Village Funds for community development has no significant effect on reducing poverty in Amasara Village, Baito District, Konawe Selatan Regency, Southeast Sulawesi [15]. In North Sumatra the Village Fund program does not have a significant effect on reducing poverty [16]. In West Aceh District, Nangroe Aceh Darussalam Province, the Village Fund program has no effect on reducing poverty [17]. The Village Fund distribution program also had no effect on reducing poverty in the Province of Nangroe Aceh Darussalam [18]. Community empowerment activities in the Village Fund program had no effect on reducing poverty in Tanamalala Village, Pasimasunggu District, Selayar Regency, South Sulawesi [19]. In Ogan Komering Ulu District, South Sumatra Village Funds have not had an effect on poverty reduction (sustainable) [20]. In North Lombok, West Nusa Tenggara, after running for five years, the Village Fund has not had a significant effect on reducing poverty [21]. There is no significant evidence to show that Village Funds can reduce poverty [22].

Even so, there are several regions in Indonesia that show positive but insignificant results [23]. The Village Fund Program has a positive impact on reducing the number of poor people. As happened in Lamongan Regency, East Java. In Lamongan, well-planned village funds directed at economic empowerment programs have had an impact on reducing the number of poor people in the district [24]. Meanwhile in Gorontalo Province, the Village Fund program is effective in reducing poverty [25].

The use of Village Funds in Duwet Krajan Village, Malang Regency was not successful in alleviating poverty in the village. Every year there is no reduction in the number of poor people in the village. In fact, every year the village receives Village Funds amounting to more than one billion. This is due to the following factors. First, human resources in the village are still inadequate to create the potential of the village economy in the form of agriculture to be developed into production materials that have high economic value. So that farmers in villages remain traditional farmers who only rely on harvests.

Second, Village Fund development is more directed at infrastructure development which can only be enjoyed by officials at the village level. Such as the construction of a village hall, village entrance, and some of the improvements to village roads that are not directly connected to the agricultural centers of the village residents. At the same time, Village Funds are not directed at developing the creative economy of village residents. So that Village Funds do not spread to all village residents.

In Duwet Krajan Village, Tumpang District, Malang Regency, East Java, Indonesia, the Village Fund is effective in increasing infrastructure development, but does not correlate with reducing the number of poor people. In other words, the infrastructure development model has succeeded in increasing from the Village Fund program. However, it failed to eradicate or reduce the number of poor people.

4. Conclusion

Village Funds are funds sourced from the State Revenue and Expenditure Budget, through a transfer mechanism to districts/cities, then included in the Regional Revenue and Expenditure Budget. From the regional treasury, village funds are then transferred to the accounts of each village government throughout Indonesia. Village Funds are expected to reduce poverty in villages. However, in practice, Village Funds have not been able to reduce the amount of poverty in villages. This is due to the lack of human resource capacity in the village in managing funds. Apart from that, many Village Fund programs are not on target. The program is not directly related to the economic aspects of village residents. The infrastructure built is mostly in the form of gates, village roads and village roads. The infrastructure built is in the form of offices or village halls.

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